knowing how he would vote, I transfer my pair to the Senator from Kentucky [Mr. ROBSION] and vote "yea."

The roll call was concluded.

Mr. BLACK. On this vote I have a special pair with the junior Senator from New Jersey [Mr. BAIRD]. I do not know how he would vote, and I, therefore, withhold my vote. If permitted to vote, I should vote "yea."

Mr. BLEASE. I have a pair with the Senator from Connecticut [Mr. WALCOTT]. Not knowing how he would vote, I withhold my vote.

Mr. GEORGE (after having voted in the negative). I have a pair with the senior Senator from Colorado [Mr. PHIPPS]. I transfer that pair to the junior Senator from Oklahoma [Mr. THOMAS] and allow my vote to stand.

Mr. BLACK. I find that I can transfer my pair to the senior Senator from Arizona [Mr. ASHURST], which I do, and vote "yea."

Mr. SHEPPARD. I desire to announce the following general pairs:

The Senator from Arkansas [Mr. CARAWAY] with the Senator from Vermont [Mr. GREENE];

The Senator from North Carolina [Mr. SIMMONS] with the Senator from Massachusetts [Mr. GILLETT];

The Senator from Arkansas [Mr. ROBINSON] with the Senator from Pennsylvania [Mr. REED];

The Senator from North Carolina [Mr. OVERMAN] with the Senator from Illinois [Mr. DENEEN];

The Senator from Wyoming [Mr. KENDRICK] with the Senator from Illinois [Mr. GLENN];

The Senator from Virginia [Mr. GLASS] with the Senator from Connecticut [Mr. BINGHAM].

The Senator from Utah [Mr. KING] with the Senator from Maine [Mr. GOULD]; and

The Senator from Tennessee [Mr. BROCK] with the Senator from Wyoming [Mr. SULLIVAN].

The result was announced—yeas 32, nays 34, as follows:

YEAS—32

Allen	Fletcher	McKellar	Stephens
Black	Frazier	McMaster	Swanson
Bratton	Harris	Norbeck	Thomas, Idaho
Brookhart	Harrison	Norris	Trammell
Capper	Hayden	Nye	Walsh, Mont.
Connally	Heflin	Pittman	Waterman
Cutting	Howell	Robinson, Ind.	Watson
Dill	Jones	Sheppard	Wheeler

NAYS—34

Barkley	Goldsborough	Keyes	Smoot
Blaine	Grundy	La Follette	Steck
Borah	Hale	McCulloch	Steiwer
Broussard	Hastings	McNary	Townsend
Copeland	Hatfield	Metcalf	Vandenberg
Dale	Hawes	Moses	Wagner
Fess	Hebert	Oddie	Walsh, Mass.
George	Johnson	Patterson	
Goff	Kean	Shortridge	

NOT VOTING—30

Ashurst	Gillett	Phipps	Simmons
Baird	Glass	Pine	Smith
Bingham	Glenn	Ransdell	Sullivan
Blease	Gould	Reed	Thomas, Okla.
Brock	Greene	Robinson, Ark.	Tydings
Caraway	Kendrick	Robsion, Ky.	Walcott
Couzens	King	Schall	
Deneen	Overman	Shipstead	

So Mr. HOWELL'S amendment to Mr. ODDIE'S amendment was rejected.

Mr. SMOOT. Mr. President, it is about time to recess, but I want to submit a unanimous-consent request while we have a goodly number of Senators present. I ask unanimous consent that on to-morrow, after we meet at 11 o'clock, debate be limited to 10 minutes on any amendment that may be offered to the hides and leather paragraph.

The PRESIDING OFFICER. Is there objection?

Mr. HOWELL. I object.

The PRESIDING OFFICER. Objection is heard.

Mr. HEFLIN. Can we not get an agreement to vote on the entire proposition not later than 12.30 p. m. to-morrow?

Mr. SMOOT. No; I do not believe we can do that.

Mr. HEFLIN. If we could, we would make progress to-morrow.

RECESS

Mr. SMOOT. I move that the Senate take a recess, the recess being until 11 o'clock to-morrow morning.

The motion was agreed to; and the Senate (at 10 o'clock and 5 minutes p. m.), under the order previously entered, took a recess until to-morrow, Saturday, March 15, 1930, at 11 o'clock a. m.

HOUSE OF REPRESENTATIVES

FRIDAY, *March 14, 1930*

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Teach us, our Heavenly Father, that we can have nothing everlastingly good unless Thou dost grant it. Fill our minds, our hearts, and our hands with thoughts and deeds of loving service. Teach us the beauty and the glory of the Christian graces, and when the dark days come teach us to wait and listen for Thy voice. Urge us to live in the common cause and help our fellow men while in the world we stay. At Thy footstool we bow and confess our failures. O may we hear Thee say: "Thou didst thy best; that is success." In the name of Jesus our Saviour. Amen.

The Journal of the proceedings of yesterday was read and approved.

FIRST DEFICIENCY APPROPRIATION BILL

Mr. WOOD. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 9979) making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1930, and prior fiscal years, to provide urgent supplemental appropriations for the fiscal years ending June 30, 1930, and June 30, 1931, and for other purposes, with Senate amendments thereto, disagree to all the Senate amendments, and ask for a conference and the appointment of House conferees.

The SPEAKER. The gentleman from Indiana asks unanimous consent to take from the Speaker's table the bill H. R. 9979, with Senate amendments thereto, disagree to all of the Senate amendments, and ask for a conference. The Clerk will report the bill.

The Clerk reported the title of the bill.

The SPEAKER. Is there objection?

Mr. GARNER. Mr. Speaker, while I do not intend to object, Mr. TUCKER, of Virginia, called me on the telephone this morning and stated that he would like to have a little time on the question of the Farm Board appropriation. I do not see him in the Chamber at the moment, and I told him that probably the gentleman from Indiana would ask unanimous consent to send the bill to conference immediately after the House met. I do not feel like taking the responsibility of objecting, but I want to make this statement, so that if the gentleman from Indiana [Mr. WOOD] saw proper to postpone it a little while on account of the request of the gentleman from Virginia [Mr. TUCKER], he might do so.

Mr. WOOD. I will state to the gentleman from Texas that we have arranged for a conference this afternoon, and it is important that we have the conference as soon as possible.

Mr. BYRNS. I assume the gentleman would be glad to accord Mr. TUCKER a little time on the report when it comes in?

Mr. WOOD. Yes; certainly.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none and appoints the following conferees: Messrs. WOOD, CRAMTON, WASON, BYRNS, and BUCHANAN.

PERMISSION TO ADDRESS THE HOUSE

Mr. WATSON. Mr. Speaker, I ask unanimous consent on Tuesday, March 25, to address the House for 20 minutes on the one hundredth anniversary of the declaration of independence of Greece.

The SPEAKER. The gentleman from Pennsylvania asks unanimous consent to address the House for 20 minutes, after the completion of business on the Speaker's table, on Tuesday, March 25. Is there objection?

There was no objection.

Mr. GARNER. Mr. Speaker, I ask unanimous consent on next Thursday, after disposing of matters on the Speaker's table, to address the House for 30 minutes.

The SPEAKER. The gentleman from Texas asks unanimous consent on next Thursday, after the disposition of matters on the Speaker's table, that he may address the House for 30 minutes. Is there objection?

Mr. TILSON. Is the gentleman going to address the House this morning?

Mr. GARNER. I am going to address the House this morning. I have asked for this time, but I may not use it. We have developed a habit in the House during the present session whereby if you are going to get time at a certain date you must get it a week or 10 days ahead of time. In times past, when we were considering the regular business of the House, you could get unanimous consent to address the House for 15 or 20

minutes at almost any time, but in order to do that now you have to displace some gentleman who already has a special order, and I anticipate that on next Thursday I may want to make some observations.

Mr. TILSON. We have developed some very bad habits during this session, when we have not been pressed for time, that we may have to break when conditions are different.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. MONTET. Mr. Speaker, I ask unanimous consent that on Thursday next, following the gentleman from Texas [Mr. GARNER], I be permitted to address the House for 20 minutes.

The SPEAKER. The gentleman from Louisiana asks unanimous consent that, following the gentleman from Texas [Mr. GARNER], he may address the House for 20 minutes on Thursday next. Is there objection?

There was no objection.

THE PHILIPPINES AND THE JAPANESE BUGABOO

The SPEAKER. Under the special order of the House, the Chair recognizes the gentleman from Wisconsin [Mr. NELSON] for one hour.

Mr. NELSON of Wisconsin. Mr. Speaker, I have a brief bibliography, with some excerpts on each point. To save time I have put them in at the end of my speech, and I ask unanimous consent to extend my remarks.

The SPEAKER pro tempore (Mr. DARROW). The gentleman from Wisconsin asks unanimous consent to extend his remarks as indicated. Is there objection?

There was no objection.

Mr. NELSON of Wisconsin. Mr. Speaker, any serious study of the Philippine question soon brings us face to face with certain objections. Specifically, it has been my repeated experience when pointing out our imperative duty of keeping faith with the Filipinos by granting them the independence they desire, as we desired it, their God-given right as much as it was ours, and which we have from the beginning promised them over and over again, some opponent of Philippine independence will almost invariably suggest—Japan. Only as we subject this and similar objections to close scrutiny, separate fancy from fact, prejudice from judgment, shall we be able to distinguish the right from the wrong way of dealing with the Philippine problem.

Accordingly, I now invite your attention to an analysis of this particular objection, known by the friends of the Philippine people as the familiar "Japanese bugaboo." I select the word "bugaboo" deliberately to characterize a hypocritical disguise, but the words "scarecrow," "smoke screen," or "bogey" might serve as well. This mask of pretended good will for the Filipino people makes its appearance in various garbs, but in its common form it is usually as follows: "If we set the Philippines 'adrift' they will immediately fall a 'prey' to Japan."

By thus assuming, without any real reason, that Japan is the "yellow peril" that they would have her appear, and that she would take the Philippines as soon as we give them their independence, the harmful effect is twofold. An ethically minded American feels instinctively that to set these helpless wards free, "adrift," only to be swallowed up immediately by an oppressive pagan people would be morally unjustifiable; and every business-minded American feels that to give up "our resources in the east" merely to let the "Japs" take over "these fabulous riches" as "prey" would be sheer economic folly.

Therefore I now propose to prove that the assumed premise that Japan will take over the Philippines when we give them their freedom is wholly groundless. My extended review and careful study of numerous and competent authorities, which I shall quote only in part but cite more fully in an appendix to my extended remarks, has fully convinced me that the unwarranted attack on the national integrity of Japan, our good neighbor on the other side of the Pacific, is but a part of the natural and clearly understood propaganda of certain American business interests conducted to cloak their commercial desires to exploit and to hold the Philippine Islands indefinitely.

As nations are but aggregations of human beings, they are more or less governed by low, greedy motives or by high national ideals. Let us first assume that Japan is as painted, a country devoid of our supposed high standards of conduct, and that she is actuated only by motives of sinister self-interest, which we loftily look down upon with virtuous contempt. What of it, so far as an independent Philippine republic is concerned?

THE LEAGUE OF NATIONS

Consider first the League of Nations. The Philippines could and would become a member. How, then, would Japan remain a member and at the same time oppressively plot to overthrow the independence of another member of the league? Think of the representative of Japan sitting side by side at Geneva with the Philippine member under such circumstances. Of course, Japan could not retain her membership in the league and destroy the independence of the Philippine republic without incurring the hostility of every member of the league. Consequently, to the degree that the League of Nations is efficient in safeguarding the integrity of its membership, this Japanese "bugaboo" becomes deflated. If the league is 100 per cent efficient, the Japanese "bugaboo" has at once become a 100 per cent flat tire. (1.)

SIAM

What of Siam? How has this oriental country been overlooked by Japan? Siam is in the same latitude with Japan, so is Luzon, the chief island of the Philippines; but the other islands of the Archipelago extend far down into the Tropics. Siam is a compact country on the mainland, of more territory, and has a population of less than 10,000,000; whereas the Philippine Islands are widely scattered and have a population of 13,000,000 people. If Japan is looking for "prey," why would she prefer the Philippines to Siam? This brings up two other checks on the Japanese "bugaboo."

THE BALANCE OF POWER

Siam's independence is preserved because "the balance of power" in the Far East must not be disturbed. Then, why can not the independence of the Philippine Islands be protected by it likewise? The wall of resistance that "the balance of power" erects against any supposed Japanese menace would be most effective. The Philippine Archipelago is made up of thousands of islands covering thousands of square miles. They radiate in all directions and so have, as their neighbors on the south, Borneo and Australia, which, with India on the northeast, are English colonies. Would the English interests in Australia, India, Borneo, Singapore, permit Japan, without serious protest, to disturb the balance of power in the East? Would Japan be likely to absorb the Philippines without the consent of her ally, Great Britain? Hardly. To the southeast are the Dutch possessions; chief of these is the island of Java. The Dutch would immediately join with the British and the United States in a vigorous protest against the advance of Japan toward the Malay possessions. Japan would meet with hostility in every direction. Mention has been made of Indo-China, a French possession to the northeast. To the north lies the awakening giant, China. Territorial self-interest and the fear of one another would tend to hold firmly in check any display of Japanese "imperialism" in the Philippine Islands.

NEUTRALITY GUARANTEED

Now look at the Anglo-French convention in 1896, by which Great Britain and France—Siam's neighbors holding India and Indo-China—maintain the balance of power between them by agreeing to Siam's independence.

What would become of the "Japanese bugaboo" if the United States should join Great Britain and France and agree to recognize the independence of the Philippines so as to strengthen further the status quo in the Far East? (2.)

THE 4-POWER PACT

The 4-power pact is not to be overlooked. Not only Great Britain, France, and Japan, but also the United States agreed at the peace conference at Washington to preserve the peace in the Pacific. Why would this agreement not extend its protecting wings over the independent Philippine Islands? What is to hinder the 10-year time limit being extended, and why could not these "high contracting parties" amend the pact by adding the one word "former," so as not only "to agree as between themselves to respect the rights in relation to their present insular possessions and insular dominions" but also so as to include their former insular possessions and insular dominions? What would be the cost other than the price of paper and ink? All the Filipinos need, if they need that, is perhaps 20 years of freedom from guardianship in which to develop their own beaks and claws to full growth, as did Japan, to be able to defend themselves. In the meantime, as an independent republic they will be able to make their own treaties with whatever powers they please for their self-protection.

MORAL PROTECTION

Finally, there is America. How do we now defend the Philippines? Not by fortifications, not by an army, nor even by a navy, but by "moral suasion." No well-informed American will make any pretense that we could afford to defend the Philippines against Japan or that we intend to do so by military or naval force. It would cost too much. In a recent book, James Parker, an American brigadier general, speaks of the islands as a "strategic weakness" easily "captured from us." It is a well-known fact, as admitted not long ago by General Crowder, that in case of war with Japan there would be no attempt to protect our trade with the Philippines. If

captured, we could not take them back without too great a cost. One writer estimates that it would cost a "fifty billion dollar war" to recover them. Members of Congress after giving study to the subject declare that it would be the "most herculean task ever undertaken." All of which Roosevelt had in mind when he said:

Any kind of position by us in the Philippines merely results in making them our heel of Achilles if we are attacked by a foreign power. They can be of no compensating benefit to us. They are "a source of weakness to us."

This being so, why would not the Philippines, when given their independence, have equally as much our moral protection, having been our adopted child, our ward, to whom we had given freedom? Would not Japan realize that taking them without our consent would be regarded by the American people as an unpardonable affront? Would she be likely to do a thing of this kind to us? Thus we see that there will be no real difference in the protective status of the Philippine Islands. Japan would no more risk our enmity after we have set the Philippines free than she has before setting them free. (3.)

FALSE PROPAGANDA

It is an interesting psychological fact that when a human being is doing that which is wrong he neither can nor will tell the truth. This elemental fact of human nature has been pointed out over and over again in the literature of the world, both sacred and profane. And so it is quite natural that the would-be exploiters of the Philippine Islands put forth false and slanderous arguments, including this Japanese peril. Is it not a curious fact that only those who are opposed to Philippine independence are fearful of "Japanese imperialism"?

The friends of Philippine independence throughout the world, and especially the Filipinos themselves, have no such fears; and surely they should be most concerned about their freedom and welfare, and be particularly alarmed over Japanese "imperialism," were it not known to them as a mere bugaboo, bogey, smoke screen, to cover the selfish desire of groups of interests now or prospectively seeking to exploit the resources of land and labor in "the pearl of the Orient."

EARLY SOURCE OF PROPAGANDA

Who the slanderous, selfish interests are that are now in eruption I shall presently point out, but first let me reveal the origin and development of the defamation of our neighbor across the Pacific for more than 25 years.

For 40 years there had been uniformly friendly relations between the United States and Japan. This was true of the Governments as of the people. After the year 1905 there were signs of a change in public opinion on both sides of the Pacific. The Russo-Japanese War came, and President Roosevelt intervened to bring about a treaty of peace. Japan yielded the point of indemnity, but she secured recognition of her political, military, and economic interests in Korea. The Russian plenipotentiary, Count M. Witte, takes credit for having caused the change in sentiment as to Japan. Payson J. Treat, in his book, Japan and the United States, quotes him as saying:

By my course of action I gradually won the press over to my side * * * so that when I left the trans-Atlantic republic practically the whole press was on our side. The press, in turn, was instrumental in bringing about a complete change in the public opinion of the country in favor of my person and of the cause I upheld.

Mr. Treat then goes on to describe the propaganda that was conducted against Japan. Because of her display of military power in defeating Russia—

The most absurd articles were printed and accepted by the people too little informed to distinguish between fact and fancy. So few people in either country really know much about the other—

Says the writer,

and it is so easy to suspect the motives of a stranger.

Japan, said the yellow press, could "easily wrest the Philippines from the United States, then Hawaii, and finally the whole Pacific coast"; Canadians were warned that parts of Canada would be the "Japanese objective"; Australia was alarmed; even French Indo-China, the Dutch possessions, British India, Mexico, and South America were to be "scenes of Japanese aggression." The British Empire, France, the Netherlands, and the South American Republics were menaced, said the publicists. In fact, China was to be organized by Japan and thus civilization would be confronted with the "yellow peril" in all its horror. "These statements," says the writer, "are by no means fanciful. They may be found in many serious articles published soon after 1905." (4.)

LATER AGITATORS

For years various unscrupulous groups with motives of mercenary self-interest have, through books, speeches, pamphlets, and particularly through the jingo press, carried on this offensive agitation against Japan.

If we have a war with Japan, said President Plantz, of Lawrence College, Wisconsin—

These yellow journals and yellow propagandists will be the cause of it.

"The Industrial Workers of the World and other labor organizations" have assisted in scattering this propaganda, according to William Fisher, president of the Stone Fisher Co., of Washington. Another contributing agency, writes President Plantz, of Lawrence College, was the "Navy League." I recall how a former famous naval officer, Richmond Pearson Hobson, while in Congress sought to scare the country by dreadful pictures of Japan marching across the Rocky Mountains in conquest of America—all for the purpose of getting more and bigger battleships. (4.)

This anti-Japanese agitation, writes Raymond Leslie Buell, was continued "under the leadership of the Exclusion League and American Legion." D. W. Kurtz, president of McPherson College, Kansas, says "the politicians and California" and "journalists" have contributed to the propaganda against Japan.

PRESENT PROPAGANDISTS

At present it is the Philippine-American Chamber of Commerce of New York and Manila that is carrying on this Japanese scare to prevent Philippine independence.

No American in the Philippines—

Including particularly the Philippine-American Chamber of Commerce in Manila, says Stephen P. Duggan—

believes the Filipinos would be permitted peacefully to go their way. * * * When pressed for an answer as to the power that would take the place of the United States he usually replies that it might be the Dutch or the English, but that it would probably be the Japanese.

Representatives of the chamber of commerce recently appeared before the Committee on Territories and Insular Affairs of the Senate to oppose independence. This trade group, according to the testimony brought out in the hearings, consists of 81 big business firms who have financial interests in the Philippines. They do not disguise their selfish interest. They admitted in the hearings that they had raised a considerable sum of money to arouse public sentiment against independence. Their object, they say, is—

To promote, foster, and advance commerce between the United States and the Philippines.

And add:

We believe that the independence of the Philippines is diametrically opposed to this object.

Of course, their stock objection is "Japan."

ITS HYPOCRITICAL NATURE

But the hypocritical nature of the use of this bugaboo is self-evident when we note how they play both sides against the middle in pointing to Japan's relation with Korea. In a circular letter received from this branch of the Philippine-American Chamber of Commerce the plea is made that independence to the Philippines would have—

Far-reaching international importance in that the Koreans would take fresh heart in their opposition to the Japanese.

This would appear to be taking sides against Korea.

In another hearing this same organization pointed out how Japan had "absorbed and subjugated" Korea as "ruthlessly" as any "ancient monarch ever did." This would seem in sympathy with Korea and in fear that the same sad fate might befall the Philippines. All of which proves that this Japanese argument is mere pretense, a smoke screen to cover up admitted self-interest. (5.)

As a part of this propaganda against Philippine independence Members of Congress have received other circulars and letters from financial interests doubtless inspired by the same source. The Harriman National Bank frankly pleads:

We have 120,000 square miles of virgin territory, and of immeasurable value in these islands. Why even impulsively think of giving them away?

Other bald and equally bold appeals to American greed might be cited. Even Members of Congress have stated on the floor that—

Much of America's future prosperity is intertwined with the future of the Far East.

In nearly every propaganda article by selfish interests, after pointing out the Japanese peril and belittling all ethical arguments, the bold bid is made to American self-interest. The rich resources of the Philippines are recounted.

Only a few months ago an itinerant retired Army officer, Col. Colin Ball, visited my home city, Madison, Wis., and made a speech before a club.

The colonel—

Says the Capital Times—

describes the vast resources of the Philippines, saying "that, properly exploited, the islands will produce enough rubber to free the United States from the British monopoly, enough sugar to make us independent of Cuba."

"But why isn't this done?" he asked. "Because of the menace of independence hanging over us. Once independence is granted, an American dollar there wouldn't be worth a cent—just as in the case in Mexico and Central America, where American capital is discriminated against by every means possible.

"Instead of this windy nonsense about uplift, we should have said, your country has become a part of ours, and we propose to exploit it, quit talking politics, and go to work."

The evil of all this villainous slander of a great people would be incalculable but for the fact that responsible American statesmen deprecate it and Japanese statesmen understand us only too well. But, nevertheless, it is deplorable that selfish interests in the United States, to make money out of our Filipino wards, do not hesitate to villify our friendly and powerful neighbor across the Pacific.

I know of no greater disaster to international relations than the constant agitation of hostility of other nations to us—

Writes Doctor Ainslee, Christian Temple, Baltimore, Md.

Neighbors—

He says—

can not live in peace on the same streets by such method; neither can nations though separated by an ocean. The difficulty that we are facing is the barbarism of our own civilization. America should be expected to lead the way by a policy that is above the standard of suspicion and antagonism.

Japan seeks only to emulate our example, and, as we have the Monroe doctrine for America, she will more and more stand for a Monroe doctrine of the Orient. (6.)

It is Japan's plea to America, as expressed by her present ambassador, that—

Nations deal with one another in accordance with the principles of tolerance, fair play, and good neighborliness.

If that were done—

There is little doubt—

Said her Ambassador Matsudaira—

peace will prevail and commerce will thrive and the happiness of mankind will be promoted.

I would add if the "white peril" would only pay a little more respect to the principle of the golden rule, there would be little cause to fear the "yellow peril." (7.)

JAPAN—BEST PROTECTION

Finally, Mr. Speaker, the best protection against the Japanese bugaboo is the real Japan herself. Japan is not the "yellow peril" that she has been pictured. Japan has been basely misrepresented. I will append to my remarks in the RECORD a list of authorities with brief quotations that will establish her national integrity to any reasonable mind. (8.)

JAPAN AND THE UNITED STATES ARE FRIENDS

Japan has for 50 years been a true friend of the United States. It was America, through Admiral Perry, in 1853, that awakened the sleeping giant of the Orient. She has never ceased to be grateful. Prof. L. S. Smith, of the University of Wisconsin, after a tour of the Orient, said:

All this tommyrot of a war between the United States and Japan is pure fabrication.

She has always kept faith. Never once has she taken any step that would be offensive to the United States. American statesmen have over and over again testified to the unvarying friendship and good will. A former Secretary of State, Elihu Root, has so stated:

For many years I was very familiar with our own Department of Foreign Affairs. During that time there were many difficult, perplexing, and doubtful questions to be discussed and settled between the United States and Japan. During all that period there never was a moment when the Government of Japan was not frank, sincere, friendly, and most solicitous not to enlarge but to minimize and do away with all causes of controversy.

And William R. Castle, jr., the present United States ambassador to Japan, says:

It is a wonderful thing to be a representative in Japan of a Nation desiring nothing but friendship. I know of no two nations whose interests more thoroughly coincide than those of Japan and America. (9.)

"AGGRESSION" WITH UNITED STATES CONSENT

Let us now look carefully into her attitude toward her neighbors, Manchuria, Formosa, and Korea, upon which is based the charge that she is warlike and aggressive. It has been asserted that because of her "land-grabbing" history in connection with these lands she will also annex the Philippines. What are the facts? Although Japan had won the war with Russia, at the suggestion of an American President, Mr. Roosevelt, she magnanimously consented not to demand Manchuria as a Japanese possession, and she has taken no step that can be challenged other than to strengthen her interest there by way of trade. President T. Go, of the South Manchurian Railway, a Japanese, said that annexation of Manchuria would be "an anachronism in the face of the present world situation."

Japan did take over the island of Formosa after her successful war with China. But she did not do so without first heeding the urgent advice of an American consul general, General Le Gendre, who pointed out the advantage to her of setting up a Monroe doctrine in the Orient after our plan. He cited our example in the Louisiana Purchase, the annexation of Texas, and the acquisition of Alaska. This advice of a United States consul general was subsequently approved and strengthened by a visiting ex-President, Ulysses S. Grant.

Now let us consider Korea. Did Japan swallow up Korea without the consent of America? History says she did not. It was the United States that first made a treaty with Korea in 1883. "On the strength of this treaty Koreans looked to the United States for help in their emergency." Korea thought she would be protected by us from her neighbors, Japan and Russia. But she soon found that America did not mean protection by armed forces.

Russia and Japan also sought treaties with Korea. Having made a treaty with the United States, she could not very well refuse to deal with her neighbors, and it was thus that we led her into the difficulty that finally resulted in her absorption by Japan in 1910.

But this is only a small part of her sad history. We know now that Japan did not absorb Korea until an American President had given his direct and specific approval. Mr. Tyler Dennett was permitted access, in 1924, to Roosevelt's private correspondence at the time that he was intervening between Russia and Japan. These letters, reproduced by Dennett in his book, Roosevelt and the Russo-Japanese War, reveal the fact that Japan acted with his consent in taking over Korea. The Japanese, in turn, declared they have no designs on the Philippines. President Roosevelt justified his action by saying that—

Korea was absolutely Japan's. To be sure, by treaty it was solemnly covenanted that Korea should remain independent, but Korea was itself helpless to enforce the treaty, and it was out of the question to suppose that any nation with no interest of its own at stake would attempt to do for the Koreans what they were utterly unable to do for themselves. (10)

We see clearly that in her attitude toward Manchuria, Formosa, and Korea—and I do not defend her—she acted with the consent of America's representatives.

If she did wrong, how can we defend ourselves for consenting to that wrong? She was only following our own "land-grabbing" example in the Philippines. It is so easy to see and condemn the mote in the eye of Japan, but we do not so readily acknowledge the beam in the eye of America. (11.) Oh, the hypocrisy of setting up this bugaboo of Japan's imperialism! Oh, the hypocrisy of this propaganda of a "yellow peril." What about the "white peril" in the Philippines? (12.) In China? In Africa? In Java? In India? Who but the white peril has strangled the independence of most of the nations in the Old World and are holding them to-day as "prey." (7.)

JAPAN MIGHT HAVE BOUGHT THE ISLANDS

Does Japan want the Philippines? No. History informs us that she could have bought them from Spain, but she declined them even at the paltry sum of $8,000,000. Japan refused them because the islands were "too far off and they did not care to live in the Tropics," and she "did not want to buy trouble." (13.)

THE JAPANESE DO NOT THRIVE IN THE TROPICS

The Japanese do not like the Tropics. They do not thrive in the Philippines because of the tropical climate. Japan's climate is an oceanic climate. At one time there were as many as 15,000 Japanese in the Philippines, but the Japanese settlement has steadily declined until there are only about 5,000 or 6,000 Japanese there to-day. Formosa proved an unexpected problem to Japan because the Japanese could not endure work in the open heat. (14.)

THE JAPANESE POOR COLONIZERS

It is a difficult task for Japan to induce her loyal and devoted subjects to leave the Empire.

In Japan patriotism is the cornerstone of national existence; it is the flame illuminating every heart from palace to farmer's hut.

They cling with all the instincts of their racial traditions and religious training to the main islands of Japan.

Says a writer—

The Japanese never cares to wander from his own fireside * * * although it be nothing but some charcoal in a brass pot.

It is an interesting fact that there are but 50,000 Japanese outside of the Empire; and, also, even in Hawaii the Japanese settlement is steadily decreasing.

Japan's most successful colonization has been in California. (15.)

JAPAN INDUSTRIALIZED

Japan saw that "what had made England and the British Empire was her trade and industries," and it was this that Japan determined to emulate. She saw, too, that industrial growth would add enormously to the power of the nation in the Far East and among European countries. But, unlike England, Japan sought to develop her industries to supplement her agriculture. (16.) Therefore, Japan is solving her problem of population by relying on intense industrialization and by scientific cultivation of her arable land. Only about 17 per cent of the total area of the mainland is cultivated, but the increase in acreage in 1922, over the 5-year average of 1885–1889, was 18 per cent. The increase in production per acre was 41 per cent. (17.)

COLONIAL DIFFICULTIES

To take over the Philippine Islands would but increase Japan's present almost unsurmountable colonial problems. She first tried force in Formosa and Korea, but without success. By means of force she can no more make Japanese out of the people of Formosa or the people of Korea than we could by force make Americans out of the Filipinos. She has abandoned that project and is now trying to win them over by a "policy of attraction." She is spending large sums of money in these islands to bring about conditions that will secure the good will of the conquered people. But while this peaceful policy is far better than that of force, yet it is not successful. The people of Formosa can never forget that they have been deprived of their freedom, and they are only abiding their time, aided and abetted by China, from whom Formosa was taken.

Her policy of forceful treatment in Korea brought on a rebellion which she put down by superior military power; but, again, Korea's people never fail to realize that they are a subject race, and are appealing to the world for sympathy; and they, too, are abiding their time to strike for their lost liberty.

For these reasons, if for no others, Japan is not looking for more colonial problems. (18.) She has worries enough now without adding the Philippine Islands with 13,000,000 liberty-loving human beings, cherishing their freedom as a priceless possession, encouraged in democracy by the United States, and taught Christianity by Spain. Japan knows well what her problem would be if she, a pagan country, attempted to hold in subjection a Christian Oriental nation. (19.)

JAPAN'S SELF-INTEREST

But aside from all this, Japan's self-interests are against aggression. She must have friendly relations with the United States. Her trade depends upon it. We are her best silk customers, buying 95 per cent of her export silk, and absolutely necessary to her policy of industrialization. (20.)

JAPAN ADOPTS CHRISTIAN STANDARDS

Moreover, Japan has more and more taken over Christian standards of national conduct. She has realized that only by faithful adherence to the higher ideals of civilization will she be able permanently to maintain her high place as a world power. Major General Hibiki of Japan has said:

It is important to send missionaries to other parts of Asia, but it is far more important to send them to Japan. This is the strategic land and now is the strategic time, for Japan is the inevitable leader of the Orient. It will make a vast difference with the whole East, and indeed with the whole world, whether Japan becomes Christian or remains permanently an un-Christian nation. (21.)

AN ABSURD CONCLUSION

This absurd bugaboo of Japanese imperialism leads naturally to an absurd conclusion. If the Philippines are to wait for independence until Japan's power has been taken away from her in the Orient, the people of the Philippines are condemned to be a subject nation forever. (22.) When will Japan be removed further from the Philippines than she now is? And when will conditions of international good will be more favorable to protect our wards against a usurping power than at this time of peace parleys and peace conferences?

JAPAN'S OWN VIEW OF IT

Admiral Takarabe rightly comments that—

To picture Japan as waiting for the United States to grant independence to the Philippines so that she can pounce upon the archipelago the moment it is left without American naval defenses amounts to saying that the treaty of Versailles, the Conference on Limitation of Armaments, and Pacific questions at Washington and the Locarno pacts are dead letters and wasted labor.

When once granted, the Filipinos have no fear that Japan or any other country will deprive them of their freedom.

THE WORLD-OLD STORY

Speaking of the eternal opposition of vested self-interest to grants of liberty to nations or individuals, John Sharp Williams, whom I knew in Congress for 20 years as a profound student of human history, summed up this world-old struggle in these words:

From the beginning religious bigots have been afraid of it, political bigots have been afraid of it, and industrial bigots have been afraid of it. And yet, whenever it comes, we find it stimulates human enterprise, human intelligence, human ambition, and human industry to such an extent that it more than compensates for what seems to be plain and palpable and obvious immediate losses by it.

[Applause.]

EXHIBIT

(1) LEAGUE OF NATIONS

ARTICLE X. The members of the league undertake to respect and preserve as against external aggression the territorial integrity and existing political independence of all members of the league. In case of any such aggression, or in case of any threat of such aggression, the council shall advise upon the means by which this obligation shall be fulfilled.

(2) NEUTRALITY

The Washington Post, February 12, 1930: "A treaty neutralizing the Philippines has been the subject of quiet and informal discussion among delegates to the naval conference, it was learned to-day.

"The discussion is of the utmost importance because the neutralization of the Philippines would profoundly modify the present views of naval experts as to the defensive requirements of all Pacific fleets. * * *

Blount, James H.: American Occupation of the Philippines, preface, page x. Philippine Republic, June, 1926, page 6.

King, Senator William H.: Speech before the Senate, CONGRESSIONAL RECORD, March 15, 1929, pages 5462, 5463, Appendix.

Burton, Hon. T. E.: Speech before House of Representatives, CONGRESSIONAL RECORD, March 3, 1925, page 5404.

Bunuan, V. G.: Speech before the Institute of Politics, at Williamstown, Mass., 1927.

(3) THE PHILIPPINES—A HEEL OF ACHILLES

Bywater, H. C.: Sea Power in the Pacific, page 288: "A simultaneous attack on the Philippines and Guam would place no abnormal strain on Japanese naval, military, or shipping resources. In the case of the Philippines expedition, the landing itself would doubtless be made at one or more points where there were no seaward defences * * *. The conclusion is that within a fortnight after the beginning of hostilities, the United States would find herself bereft of her insular possessions in the western Pacific, and consequently without a single base for naval operations in those waters."

Tyson, Senator Lawrence D.: Speech in the United States Senate, CONGRESSIONAL RECORD, February 4, 1929, page 2740: "* * * Should a war arise between us and one of the great powers in the Orient, the Philippines might immediately be taken, as they are practically defenseless now."

Hard, William: Article in Philippine Republic, October, 1926, page 2.

Bickel, K. A.: Article in Philippine Republic, December, 1924, page 16.

Gabaldon, Hon. Isauro: Speech in the House of Representatives, CONGRESSIONAL RECORD, page 4014, March 3, 1928.

Blount, James H.: American Occupation of the Philippines, pages 331 and 565.

Moon, Parker Thomas: Imperialism and World Politics, page 405.

Phelps, Rear Admiral W. W., United States Navy: Article in Philippine Republic, June, 1925, page 14.

Henning, Arthur Sears, Washington correspondent of Chicago Tribune: Article in Philippine Republic, July, 1925, page 4.

Palmer, Frederick: Article in Liberty, February 1, 1930, page 60.

Parker, Gen. James: The Old Army, page 364.

Brown, Arthur J.: The New Era in the Philippines, page 287.

Brown, Arthur J.: Japan in the World To-day, page 240.

King, Senator William H.: Speech in the Senate, CONGRESSIONAL RECORD, March 15, 1929, pages 5462, 5463, Appendix.

Gilbert, Hon. Ralph: Speech in the House of Representatives, March 28, 1928, page 5509.

Roosevelt, Theodore: CONGRESSIONAL RECORD, March 15, 1929, page 5465, Appendix.

Villamin, Vicente, lawyer and economist: Before Ways and Means Committee of the United States Senate, January 28, 1929.

(4) THE YELLOW PERIL

Abbott, James Francis: Japanese Expansion and American Policies, page 3: "A few years earlier Mr. Hobson said on the floor of the same Chamber [House of Representatives]: 'We are short on providing equilibrium in the Atlantic, and we have not a single battleship in the Pacific, and our relative naval strength is steadily declining. War is therefore a physical certainty.' 'I will tell you frankly that, in my judgment, you can count almost on the fingers of your two hands twice around the number of months. In my judgment, war will come before the Panama Canal is completed!'"

Treat, Payson J.: Japan and the United States 1853–1921, page 191: "In the United States, for example, certain journalists, for one reason or another, prophesied an immediate Japanese invasion. This might come at any time, and without warning, but surely before the Panama Canal was constructed. And then, when the canal was opened and hostilities had not been proclaimed, it was just as easy to predict that the canal could easily be destroyed by airships and then the invasion would begin. It did little good to demonstrate that the invasion of California was a military operation of the utmost difficulty, if not impossible of achievement. Many Americans, fed upon such startling statements, looked with alarm to the time when war would break. It is interesting, of course, to note that in all these stories the offensive was to be taken by Japan."

(5) PHILIPPINE-AMERICAN CHAMBER OF COMMERCE

Hearings before the Committee on Insular Affairs, House of Representatives, on H. R. 8856, April 30, May 1, 2, 3, 5, and 6, 1924, page 95: "How can they have forgotten, or how can anyone forget, that during the life of those who are still children, Japan, within six years after solemnly guaranteeing the integrity of Korea, absorbed and subjugated that country of 15,000,000 people as completely and ruthlessly as did any monarch of the ancient world."

Circular letter, Philippine-American Chamber of Commerce, January 2, 1930: "The object of this organization is to promote, foster, and advance commerce between the United States and the Philippine Islands.

"We believe that the independence of the Philippines is diametrically opposed to this object, and therefore desire to put before Members of Congress whatever information we can obtain which might assist consideration of the subject.

"To this end we inclose copy of an editorial which appeared in the New York Times of December 27, 1929, to which your attention is invited."

[Editorial, New York Times, December 27, 1929, a reprint thereof inclosed in the above letter]

"Without discussing the effects on the internal affairs of the Filipinos, the international consequences of Philippine independence at this time can only be viewed with profound apprehension. * * * The Koreans would take fresh heart in their opposition to the Japanese."

Hearings before the Committee on Territories and Insular Affairs (71st Cong., 2d sess., February 3, 1930, pp. 183–184): "In the month of December, 1929, when the question of Philippine independence came up for consideration before Congress, the organization solicited donations from American firms and individuals in the Philippines and received from them in that month the sum of $10,000, none of which was expended in 1929.

"In January, 1930, further subscriptions to a total of $7,500 were received. Out of this special contribution fund, total $17,500, the total disbursements to January 29 have been $1,983, which were expended for the following purposes:

"Printing 25,000 copies of a pamphlet, The Philippine Question, $305; mailing same, $585.30; compensation to special investigators to report on the actual facts regarding the competition of coconut oil with American dairy products, $578; letters to business firms, Members of Congress, newspapers, and so forth, $412.83; subscription to newspaper clipping bureau, $30, and clerical work, $72.

"The activities of the Philippine-American Chamber of Commerce have been confined to presenting its point of view and the facts regarding trade relations with the Philippine Islands. These presentations have not been made by "personal agency," but by mail and telegram to Members of Congress, officials of the executive government, business firms, and the press of the country."

(6) JAPAN'S MONROE DOCTRINE

Brown, Arthur J.: Japan in the World of To-day, page 32: "The ambition of the Japanese is that his country shall be recognized as a world power. * * *

"The Japanese sensibly make no secret of their ambition. The well-known Japanese author, Professor Kawakami writes: 'Japan must have a place in the sun.' 'It is Japan's mission to harmonize eastern and western civilizations in order to bring about the unification of the world,' said Marquis Okuma; * * *."

Abbott, James F.: Japanese Expansion and American Policies, pages 106, 242.

Treat, Payson J.: Japan and the United States, pages 257–263.

Takaishi, Shingoro: Article in Japan To-day and To-morrow, December 25, 1927, page 6.

Stead, Alfred: Great Japan, page 447.

(7) "WHITE PERIL"

Treat, Payson J.: Japan and the United States 1853–1921, page 206: "Korea was not the only weak Asiatic country which had passed under foreign control. And measured by national interests the Japanese had a better claim to Korea than the British to their Indian possessions, the French to Indo-China, the Dutch to the East Indies, or the Americans to the Philippines. In Korea, the Japanese could say, with an American statesman, that 'a condition and not a theory' confronted them. Or, as Mr. McKinley said, in justifying the annexation of the Philippines, 'the march of events rules and overrules human action.'"

Kawakami, K. K.: What Japan Thinks (a symposium), page 144.

Mabie, Hamilton Wright: Japan To-day and To-morrow, page 43.

Dutcher, George Matthew: The Political Awakening of the East, page 199.

(8) JAPAN NOT WARLIKE

Stead, Alfred: Great Japan, page 153: "Before all things it must be borne in mind that Japan is not a warlike nation. Although the feudal times are only some 40 years back, she has no desire to fight for fighting's sake. The first sign to Japan that progress was not to be sought by warlike means was her inability to maintain the closed door in her own country against foreign nations. * * * While immensely proud of her army and navy, and determined to keep them up to the necessary high-water mark demanded by western civilization, she regards them more as means to an end than as the end itself. * * *"

Brown, Arthur J.: Japan in the World To-day, page 240.

Williams, E. T.: The Verdict of Public Opinion on the Japanese-American Question (a symposium), page 55.

Kinnosuké, Adachi: Article in North American Review, 1905, page 686.

Mabie, Hamilton Wright: Japan To-day and To-morrow, page 69.

Parker, Gen. James: The Old Army, page 364.

Castle, William R., jr., ambassador to Japan: In New York Times, February 4, 1920.

Masaoka, Naoichi: Japan to America (a symposium), page 216.

Kawakami, K. K.: What Japan Thinks (a symposium), page 90.

(9) UNITED STATES, JAPAN FRIENDS

Masaoka, Naoichi: Japan to America (a symposium), page 217: "Again Japan is not a forgetful nation, nor is she an ungrateful nation. She will never forget that it was America that introduced her to the world so peacefully and honorably. She will never forget that it was America that expressed the greatest sympathy with her at the time of the late Russo-Japanese War; and she will never forget that Mrs. Maggie came to Japan with her friends, and kindly attended our sick and wounded soldiers; and that Mr. Roosevelt, then President of the United States of America, undertook for the sake of humanity to hasten the ending of the war, by which Japan and Russia were saved hundred thousands of lives and millions of treasure. And Japan is always seeking to continue and strengthen the cordial relations which have existed for more than half a century, and that were renewed and invigorated so recently, between the two great Nations on the Pacific."

Castle, William R., jr., United States ambassador to Japan: New York Times, February 4, 1930: "If all the naval vessels in the world were sunk, it would not endanger national security. We do not want guns to defend ourselves against our friends."

Abbott, James Francis: Japanese Expansion and American Policies, page 258.

Dutcher, George Matthew: The Political Awakening of the East, page 237.

Treat, Payson J.: Japan and the United States, 1853–1921, pages 202, 255.

(10) THE UNITED STATES AND KOREA

Tsurumi, Yusuke: Article in Foreign Affairs, 1924–25, page 252: "The policy recommended by General Le Gendre contemplated the expansion of Japanese territory to form a crescent skirting the Asiatic main-

land, and embracing Korea in the north and Formosa in the south. He emphasized the great danger which lurked in the possibility of a Russian occupation of Korea and of an English or French occupation of Formosa."

Ibid., page 257: "It was only when they felt fully prepared that they acted upon Le Gendre's policies, acquiring Formosa in 1895, and Korea in 1910. Thus in the words of Professor Nakamura, Japan's Asiatic policy was thoroughly in accord with the suggestions of two American military men and, to an extent difficult to measure, grew out of their advice."

Strunsky, Simon: Article in Foreign Affairs, 1925–26, page 144.

Brown, Arthur J.: Japan in the World of To-day, page 145.

Beard, James: The Rise of American Civilization, page 498.

Dennett, Tyler: Roosevelt and the Russo-Japanese War, pages 112 and 115.

Treat, Payson J.: Japan and the United States, page 185–186.

Moon, Thomas Parker: Imperialism and World Politics, page 347.

(11) "PEACEFUL PENETRATION"

Chambers, Robert W.: The Verdict of Public Opinion on the Japanese-American Question (a symposium), page 12: "You say that 'Japan's peaceful penetration is a direct insult to us.'

"It ought to teach us to do so well that such 'peaceful penetration' would not pay. It ought to stir us to intelligent effort; it ought to educate us. What good are we if we can not hold our own? Does our 'peaceful penetration' insult other nations?"

Crawford, William H., Portland Chamber of Commerce, Portland, Oreg.: The Verdict of Public Opinion on the Japanese-American Question, page 44: "Such expressions as 'Japan's peaceful penetration,' 'the grave problem which is facing the Pacific coast,' indicate the extremes to which propaganda will lead the highly imaginative American mind."

(12) "A SWORD POINTING AT THE HEART OF JAPAN"

Moon, Parker Thomas: Imperialism and World Politics, page 405: "The Philippines were in Japanese eyes a naval outpost which could be of use only against Japan, in offensive rather than defensive operations."

Washington Post, February 12, 1930: "Since the Philippines and Singapore are the two naval bases from which the largest navies of the world, the American and the British, could cooperate in Japanese waters, neutralization of the islands, it is believed, would profoundly alter Japanese demands at the conference."

Buell, Raymond Leslie (quoted by Judge Santos): The Philippine Republic, June, 1926.

Gabaldon, Hon. Isauro: Speech in House of Representatives, March 3, 1928, page 4014.

Gardiner, A. G.: The Prospects of Anglo-American Friendship, Foreign Affairs, October, 1926.

(13) JAPAN'S OPPORTUNITY TO TAKE THE PHILIPPINES

The Philippine Republic, March, 1927, page 11: "Spain, said Dr. [David Starr] Jordan, once offered to sell its sovereignty rights in the Philippines to Japan for $8,000,000. Japan refused, saying she wouldn't have them at any price. 'And yet there are professional liars who say Japan is only waiting for the Philippines to gain independence to swoop down on them like a hawk.'"

Statement of General MacArthur, Correspondence Relating to War with Spain, volume ii, page 1239: "Consul advised that Trias visit Japan. Filipinos represented that concessions which they might be forced to make to Washington would be more agreeable if made to Japan, which, as a nation of kindred blood would not be likely to assert superiority. Consul said Japan desires coaling station, freedom to trade, and build railways."

Lapus, N.: Article in the Philippine Republic, June, 1927.

Ragon, Hon. Heartsill: Speech before the House of Representatives, page 11.

Treat, Payson J.: Japan and the United States, 1853–1921, page 171.

Foreign Policy Association, Pamphlet No. 32, Series of 1924–25.

Kalaw, M. M.: The Philippine Guide Book.

Kawakami, K. K.: What Japan Thinks (a symposium), page 37.

(14) JAPANESE DISLIKE THE TROPICS

Morley, Felix: Our Far Eastern Assignment, page 159: "The tropical climate of the islands is an absolute bar to Japanese colonization."

Abbott, James Francis: Japanese Expansion and American Policies, page 218: "When we come to the Orient, Formosa at once claims attention. But Formosa has proven an unexpected problem for Japan. * * * The climate is hot and the Japanese can not endure labor in the open, as can the Chinese and hillmen. * * * The prospect of any considerable percentage of surplus population overflowing into Formosa or any other part of the Tropics does not seem bright."

Price, Edward Bell: Interview with Hon. Manuel L. Quezon, the Chicago Daily News.

Russell, C. E.: The Outlook for the Philippines, pages 338–345.

The Philippine Republic (quoting Dr. David Starr Jordan), March, 1927, page 11.

Young, A. M.: Japan in Recent Times, page 67.

(15) JAPANESE—POOR COLONIZERS

Abbott, James F.: Japanese Expansion and American Policies, pages 104–106: "So far as the Japanese has had a chance to deport himself as an overlord in Manchuria and Korea, the prospect is not reassuring, the Japanese suffers from a look of that sort of sentiment, conspicuous in the Anglo-Saxon, that inclines the latter to assume a fatherly attitude toward an alien or an inferior. His methods as a colonizer are rather more like the German—highly efficient but not wholly sympathetic.

"* * * The Philippines can not be colonized by Japanese laborers any more than by Europeans."

Russell, C. E.: The Outlook for the Philippines, pages 338–345.

Morley, Felix: Our Far Eastern Assignment, pages 3, 4.

Dutcher, George M.: The Political Awakening of the East, page 285.

Adams, Romanzo: Some Statistics on the Japanese in Hawaii, in Foreign Affairs, volume 2, 1923–24, pages 311–313.

(16) INDUSTRIALIZATION

Stead, Alfred: Great Japan, pages 148–150: "The agriculturists produced sufficient food to supply the nation, and Japan was in every sense self-supporting * * * History showed the Japanese, however, that it is very difficult to maintain a high standard of national greatness when the revenue of the land and the prosperity of the people depends absolutely upon the fall of rain or the hours of sunshine * * *."

Mabie, Hamilton Wright: Japan To-day and To-morrow, page 2.

MacVeagh, Hon. Charles, former United States ambassador at Tokyo, Statement of: Shanghai Mercury, December 13, 1929, Japan's Need of Expansion.

Kennedy, Capt. M. D.: Industrial Revolution in Japan, the Fortnightly Review, November 1, 1929, pages 636–647.

By B: The Situation in the Far East, Foreign Affairs, June 15, 1923, page 9.

Abbott, James Francis: Japanese Expansion and American Policies, pages 108–112.

Tsurmi, Yusuke: The Difficulties and Hopes of Japan, Foreign Affairs, December 15, 1924.

(17) JAPAN HAS ROOM FOR HER POPULATION

Wood, Junius B.: Japan's Mandate in the Pacific, in the September, 1921, issue of Asia, page 752: "Japan, despite the oft-repeated fallacy that it is overcrowded, has done nothing systematically to encourage the colonization of the miles of fertile, uncultivated areas in the islands."

Annals of Political Science, 1927: "Japan has room for her people. It is not land that Japan needs, but raw material. Since 1900 the land of the Mikado has been changing from an agricultural to an industrial nation, and in that great fact lies a world of difference."

Russell, C. E.: The Outlook for the Philippines, page 334.

Buell, R. E.: International Relations, pages 295–296.

Leith, C. K.: Article in Foreign Affairs, volume 4, 1925–26, page 433.

Pliesse, E. L.: Article in Foreign Affairs, volume 4, 1925–26, pages 474, 487, and 488.

Treat, Payson J.: Japan and the United States, page 267.

Latourette, K. S.: Article in Foreign Affairs, volume 1, 1922–23, page 167.

MacVeagh, Charles, former ambassador to Japan: Quoted in news item in the Shanghai Mercury, December 13, 1929.

(18) JAPAN'S COLONIAL DIFFICULTIES

Abbott, James F.: Japanese Expansion and American Policies, pages 104–106: "So far as the Japanese has had a chance to deport himself as an overlord in Manchuria and Korea, the prospect is not reassuring. The Japanese suffers from a lack of that sort of sentiment, conspicuous in the Anglo-Saxon, that inclines the latter to assume a fatherly attitude toward an alien or an inferior. His methods as a colonizer are rather more like the German—highly efficient but not wholly sympathetic. In Korea, where anarchy has been imminent for so long, he has felt it necessary to adopt strong measures as a deterrent to opposition. The Philippines, half conquered * * * would more than likely merit the same treatment in his eyes. Under any circumstances, the Japanese control in the Philippines would never extend beyond the range of Japanese guns.

"* * * The Philippines can not be colonized by Japanese laborers any more than by Europeans.

"All together, no greater calamity could befall the Japanese Empire than to be compelled to assume control over the Philippine Islands, so rich in potential wealth and so poor in convertible assets."

Russell, C. E.: The Outlook for the Philippines, pages 338–345.

Dutcher, George Matthew: The Political Awakening of the East, page 285.

Morley, Felix: Our Far Eastern Assignment, pages 3–4.

Brown, Arthur J.: Japan in the World of To-Day, page 238.

(19) SUBJUGATING CHRISTIANS

Abbott, James F.: Japanese Expansion and American Policies, pages 103–104: "In the first place he would discover that he was a 'heathen' in the midst of millions of Roman Catholics, whose attitude toward

him would be colored not only by the feeling of the conquered toward the conqueror, but also by the aversion due to religious prejudice.

Ibid., page 85: "* * * In 1677 the Filipinos themselves sent out missionaries to Siam, China, and Japan to convert the heathen in those lands. But the Japanese were little amenable to this process and tortured and killed the missionaries * * *."

"* * * In both cases it was reported that the Filipinos were aroused to a frenzy of indignation at the idea of being 'sold,' particularly to 'pagan Japan.'"

Crow, Carl: America and the Philippines: "If Japan should ever attempt to take the Philippines, either peacefully or by force, she would immediately be involved in a fight much more stubborn than the one the United States was compelled to put down. It is impossible to imagine the devoutly Catholic Filipinos ever submitting even to a semblance of rule by a nation as essentially non-Christian as the Japanese, and it is equally impossible to imagine a Christian world allowing such a reverse to the unbroken advance of Christianity."

Nitobe, Doctor (a famous Japanese authority on colonial questions): "It is rash to conclude that because we are of the same race the Filipinos would gladly invite Japan to be their ruler.

"They believe that they are superior to the Japanese. Their customs and manners are influenced by Christianity; * * *."

(20) JAPAN WANTS TRADE

Brown, Arthur J.: Japan in the World To-day, page 237: "Friendly America is valuable to her as a source of raw material and a profitable market for manufactured goods. Nearly all of Japan's exported tea is sold in America, 95 per cent of her exported raw silk, and an important part of other products. More than one-third of Japan's total exports go to the United States. She buys from us, too, many supplies that she requires, 25 per cent of her imports coming from America, a higher proportion than from any other country."

Russell, C. E.: The Outlook for the Philippines, pages 338–345.

Shimizu, F.: Philippine Republic, April, 1925, page 6.

Yamasaki and Ogawa: Effect of the War on Commerce and Industry of Japan, page 321.

Gabaldon, Hon. Isauro: Speech in the House of Representatives, CONGRESSIONAL RECORD, March 3, 1928.

Stead, Alfred: Great Japan, pages 154 and 188.

Matsudira, Ambassador Tzuneo: Speech before the Chamber of Commerce of Philadelphia, Pa., June, 1925.

Fisher, William J. (president, the Stone-Fisher Co., Tacoma, Wash.): In a symposium instituted by Cornelius Vanderbilt, jr., the Verdict of Public Opinion on the Japanese-American Question.

Abbott, James F.: Japanese Expansion and American Policies, page 106.

Dutcher, George Matthew: The Political Awakening of the East, pages 226–228.

Castle, William R., jr., United States ambassador to Japan: Quoted in news items in the Evening Star, Washington, D. C., February 4, 1930.

(21) JAPAN ACQUIRING CHRISTIAN STANDARD

Brown, Arthur J.: Japan in the World To-day, page 312: "Our mental and moral development has not kept pace with our material progress. * * * Japan is athirst for moral and religious guidance. * * * The origin of modern civilization is to be found in the teaching of the Sage of Judea by whom alone the necessary moral dynamics is supplied. * * * No practical solution of many pressing problems is in sight apart from Christianity."—(Marquis Okuma.)

Ibid.: Quoting Baron Mayejima, on page 312, and Prince Tokugawa, on page 314.

Dutcher, George Matthew: The Political Awakening of the East, page 230.

(22) EVERLASTING POLITICAL SERVITUDE

Recto, Hon. Claro M.: Speech before the Democratic National Convention, New York, 1924: "With the kind of government authorized in the Jones law, it was not to be expected that the Filipino people could provide for protection from foreign invasion, within any period of time, however long. And the United States could not in all fairness require of us something we could not possibly accomplish.

Jones, Hon. William Atkinson: Speech before the House of Representatives, the Philippine Republic, April, 1924, page 12: "I dismiss as unworthy of serious consideration the absurd and utterly untenable argument so frequently advanced that the Philippine people are incapable of maintaining their independence, and, if given it, must sooner or later become a prey of some stronger power, for this may truthfully be said of most of the nations of the earth. It is true as to Norway, Sweden, Denmark, Holland, Switzerland, and other countries of Europe. It is true of each and all of the Republics of South and Central America, and the halls of this Chamber have echoed for months with dismal forebodings as to the present ability of our own great Nation to successfully maintain itself against foreign attack. Even an international guaranty of independence of poor, stricken Belgium did not save that gallant little nation from the horrible fate which had overtaken it. If, therefore, the Philippines are not to be given their independence until they are capable of maintaining it in arms, then they are bound to everlasting political servitude."

UNITED STATES STEEL CORPORATION TAX REFUNDS

The SPEAKER pro tempore. Under the order of the House the Chair recognizes the gentleman from Texas [Mr. GARNER] for 30 minutes.

Mr. GARNER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by inserting certain tables and communications from the Treasury Department to the Joint Committee on Internal Revenue Taxation and of the chief of the division of investigation of the joint committee, as well as letters addressed to me and data prepared for me.

The SPEAKER pro tempore. The gentleman from Texas asks unanimous consent to extend his remarks by inserting various documents. Is there objection?

There was no objection.

Mr. GARNER. Mr. Speaker and gentlemen of the House, I asked for this time to-day in order to explain to the House the result of an investigation by the joint committee of the House and Senate which has to do with the matter of reporting on tax refunds.

On the 8th day of this month I received the following letter from the chairman of the committee [Mr. HAWLEY]:

On February 12, 1930, the Commissioner of Internal Revenue submitted a report to the Joint Committee on Internal Revenue Taxation in regard to a proposed refund of $21,555,357.89 to the United States Steel Corporation for the calendar years 1918, 1919, and 1920.

This refund is being examined by our staff in accordance with our regular procedure, but in view of the fact that a 1917 refund to the same corporation was considered by the committee in December, 1928, I feel that the committee should meet to consider the conclusion of this matter for the excess-profits tax years. This is further necessary on account of the size of the refund which will cause comments if the facts in relation thereto are not thoroughly understood.

That letter was received, as I say, on the 8th day of this month, and it gave notice of a hearing on the 11th.

The joint committee had a meeting on Tuesday and Wednesday, and the committee was in session about six hours.

I thought that as a result of that hearing the chairman of the committee [Mr. HAWLEY] would take the floor and undertake to explain the conditions, surroundings, and information touching this refund, since he told me in his letter that unless it was thoroughly understood the people of the country would be in a quandary as to why such a large amount had been refunded to the United States Steel Corporation this year. Mr. HAWLEY has not seen proper to call it to the attention of the House, and therefore day before yesterday I asked for this time to-day, anticipating that he might not see proper to draw it to the attention of the House. I thought it my duty, as well as his, to inform the House and possibly the country as to some of the reasons given for this refund.

I might say that the envelope containing this letter was marked confidential, but why this matter should be considered one that must be held in entire confidence, I do not know, unless the idea was in the mind of the chairman of the committee who wrote the letter that we should keep it in confidence for fear the people would find it out and would not understand why such a large amount was refunded to the United States Steel Corporation.

The report shows that $21,000,000 in round figures was refunded, together with interest amounting to $12,000,000, making a total of $33,000,000, plus, to the United States Steel Corporation, and a check for that amount will be mailed to them to-day, because to-day is the last day, as I understand it, on which the limitation runs with reference to the joint committee taking action to prevent the payment under section 701.

After a hearing on this matter the joint committee declined to interfere with the settlement which the Treasury Department had made with the United States Steel Corporation, this action being taken upon a motion by the chairman—himself to himself. It happened that at that moment there was only one Republican in the room, and that was Chairman HAWLEY, although there are six on the joint committee. Chairman HAWLEY had to make the motion that he would make that report; he had to put the motion to himself and vote five proxies in order to put it through. The gentleman from Mississippi [Mr. COLLIER] and myself happened to be in the room, making a majority of the committee.

Mr. COLLIER. Will it interfere with my colleague if I ask him one or two questions?

Mr. GARNER. No.

Mr. COLLIER. The United States Steel Corporation is the greatest taxpayer we have in the Government?

Mr. GARNER. It is the largest individual taxpayer in the United States.

Mr. COLLIER. The Joint Committee on Internal Revenue is composed of five Members of the House and five Members of

the Senate, and it is empowered to scrutinize these refunds. I want to ask the gentleman if he does not recall that during the entire time of the hearings there was not present a single Member on the majority side from the other body and during at least 85 or 90 per cent of the hearings—which were held to pass on a refund of $33,000,000 to the greatest taxpayer in the United States—there was only one Member of the majority present, and now as a boast to ourselves I would like the RECORD to show that the gentleman from Texas and myself were present during the entire hearings. Am I not right in my statement?

Mr. GARNER. The gentleman is correct.

Mr. COLLIER. Now, another question. Is it not a fact that the chairman of the committee, Mr. HAWLEY—whom we all respect so highly—had the proxies of five of his colleagues in both bodies to vote on this measure whenever it was ready to be called up?

Mr. GARNER. The statement made by Mr. HAWLEY was that he had all the votes of the Republican membership of the joint committee except one, and I think that was Senator REED, who is now in Europe. The result is that there was so little attention given to this matter of a refund to the United States Steel Corporation of $33,000,000 that the Republican membership of the joint committee did not see fit to attend. Not a single Member from the United States Senate was present and, as the gentleman from Mississippi [Mr. COLLIER] has said, only two associates of Mr. HAWLEY attended for a limited time in the early consideration of the refund.

I doubt, gentlemen, if there would have been any consideration of this—because there is no law compelling a consideration; it is discretionary with the committee, and the committee is never informed as to what comes to that board unless Mr. Parker sees proper to insist that there must be a consideration of it. I say insist, and I mean by that a respectful suggestion to the chairman that the committee as a whole ought to consider these refunds.

To illustrate, during 1929, and even in the last month, there were refunds to various taxpayers in this country amounting to $75,000,000. No consideration has been given to any of those refunds or as to the advisability of them except this particular one. I imagine one of the reasons why that state of affairs existed was that Mr. Parker, chief of the joint committee's investigating division, wrote a letter to the chairman and called his attention to the fact that in his judgment there were a number of considerations given to this by the Treasury Department which were very questionable both in law and in fact, and that therefore the joint committee should give consideration to it, and in accordance therewith Mr. HAWLEY called the joint committee together.

Mr. LINTHICUM. Will the gentleman yield?

Mr. GARNER. I yield to the gentleman.

Mr. LINTHICUM. Upon what authority can you use proxies in these committee meetings? I have not known of that being done before.

Mr. GARNER. Well, of course, on that "ambassadorial" committee of the gentleman, the "ambassador" must be present, but with us we extend that courtesy every now and then to the chairman.

Mr. LINTHICUM. It is very bad "courtesy," I will say to the gentleman.

Mr. GARNER. It may be, but in the Committee on Ways and Means, if a gentleman is leaving here to-day, for instance, and wants his vote recorded, unanimous consent to do that is requested, and we grant it.

Mr. LINTHICUM. I know that can be done, but from what I gather, the gentleman from Oregon [Mr. HAWLEY] carries these proxies around with him from all the majority members of the committee and can vote them at any time.

Mr. GARNER. Let me say to the gentleman that the gentleman from Oregon [Mr. HAWLEY] asked unanimous consent to cast these votes, and to accommodate these gentlemen who did not want to be there and whose minds were already made up, who did not care to pay any attention to any investigation just so the Treasury Department said it was all right, naturally we permitted him to cast the votes. I may say to the gentleman that Senator HARRISON attended the sessions and announced that Senator SIMMONS could not be present on account of his health and had asked him to cast his vote in the consideration of this refund.

The thing I want to especially call to your attention is the policy of the Government. This is the principal thing for the House of Representatives to be concerned about, and I have taken occasion to-day, on account of the investigation of this refund, to call your attention to the policy of the Treasury Department.

There are some admitted facts in this particular case that would justify, I think, a thorough investigation by a committee of the Congress or, indeed, by the courts of the country.

The Treasury Department admits that if you had taken this case and considered it from what is known as the accounting standpoint and not the legal standpoint; that is to say, if you had taken the capital assets of 1918, January 1, based upon the accounting theory, which is not to take into consideration the profits made by the subsidiaries or the children of the United States Steel Corporation one from the other, the tax would have been $6,000,000 more. No one denies this. The Treasury Department admits it.

But instead of doing this the Treasury Department took a combination of what is known as the accounting and the legal view. The legal view, briefly stated, is that if one subsidiary of the United States Steel Corporation made a million dollars off another subsidiary, that boosted the invested capital of the parent company $1,000,000, which is an absurdity. In other words, if one child of the family makes money off another child, there is nothing gained or lost when they so trade among themselves.

Mr. OLIVER of Alabama. Will the gentleman yield?

Mr. GARNER. I yield.

Mr. OLIVER of Alabama. I believe the gentleman from Texas sought to avoid that situation by an amendment which he offered in the House some years ago, when the revenue bill was being considered; did he not?

Mr. GARNER. Yes. I may say to my friend from Alabama that this was admitted by the Treasury Department as being the result of consolidated returns; and I also got an admission from the Treasury officials who have the administration of this law that it would be much simpler and much easier to administer if we did not have consolidated returns. I am glad the gentleman has called my attention to that.

Let us see just what is the situation. This is not all the money they got. You would think that $33,000,000 was a considerable sum of money to refund from taxes paid for 1918, 1919, and 1920, but that is not all of it.

The Treasury Department, without knowing anything about it, except what they report to us here, has remitted to that corporation for the year 1928 about $10,000,000, making $43,000,000. In other words, the United States Steel Corporation made mistakes against itself and in favor of the Government in the payment of taxes for 1917, 1918, 1919, and 1920 to the extent of $98,000,000, and the Treasury Department during this time has refunded to the United States Steel Corporation for these years, on account of mistakes made by that company, I repeat, in favor of the Government, to the extent of $98,000,000.

No wonder the gentleman from Oregon [Mr. HAWLEY] wanted the country to understand it before the figures were given out, for fear they might criticize and wonder why it was that one taxpayer in this country could get a refund check for $33,000,000 for taxes levied against it more than 10 years ago.

There is another very strange thing about these matters. When I began to investigate this refund I asked Mr. PARKER to send me some of the others, and, lo and behold, one of these was the Baldwin Locomotive Works, of Philadelphia, $3,772,000 refund of taxes, and I do not know how much interest. It is stated that this is a refund of taxes from 1912 to 1922.

A Member of Congress was in my office this morning complaining rather bitterly that the Ways and Means Committee had not given him a hearing on a proposition to suspend the statute of limitations against some claims he had placed before that committee. I did not tell him so, but it occurred to me that if you invoke the statute of limitations against a taxpayer in Georgia you ought to be able to invoke the statute of limitations against a taxpayer in Pennsylvania. 1912! When I saw that I had really forgotten for the moment that we levied an income tax for 1912 in the 1913 act; but when I got that act and examined it I found we did levy an income tax for 1912 in the fall of 1913; that is, we made it retroactive to that year.

I mention this to illustrate the things that you can not understand, and this is what makes it subject to suspicion. We can not go into the Treasury and examine the matter. You will not let us have a committee to examine anything, Mr. Speaker. If we could have an opportunity to look at it, just have a look in, it might be of benefit to this country, and I want to show you the reason. It has been illustrated in this case that investigations by the Congress through its committees have been efficient, especially when applied to the Treasury Department.

Now, why do I make this statement? You understand that the way you arrive at how much a taxpayer owes is: First, you allow him to amortize his business on account of war conditions under the excess-profits tax. Congress put in that act a very just and proper provision that if you spent $1,000,000 just for war purposes and after the war was over there was no

use for such extensions, and you had made 100 per cent profit and this expenditure took 80 per cent of it, naturally they would let you amortize that and see what you could get for your junk and deduct that from your income. This was quite proper. Now, what happened? In the investigation of this United States Steel Corporation matter they had sent out a board of engineers from the Treasury Department.

If you will remember, I discussed this matter a year ago and called your attention to the different audits made of that year. Now, I want to show you what the audits indicated in this instance.

In June, 1923, the engineer auditing corps of the Treasury Department found definitely and conclusively that the United States Steel Corporation was entitled to fifty-five millions plus; that is to say, they erected buildings for war purposes, which after the war had to be charged off in order that they might make a proper rendition of taxes.

In 1924, or the latter part of it, and the early part of 1925 there was a select committee of the United States Senate that made an investigation, known as the Couzens committee.

I do not know whether you gentlemen remember it or not, but older Members ought to remember that there was a little discussion about it at the time throughout the country. A political angle was given to it. Senator COUZENS was assessed $10,000,000 additional taxes by the Treasury Department. They made an investigation and they made a report, and in their report they criticized—remember, they criticized the amount allowed by the Treasury Department.

As the result of that criticism the Treasury Department went out again and made an investigation of the United States Steel Corporation, with a view of ascertaining how much they should be allowed to amortize their property in rendition of taxes.

What did they find? On June 22, 1926, after making a report, after they had criticized the Treasury Department for allowing too much, for allowing $55,000,000, and the method by which they arrived at that conclusion, the Treasury Department makes another audit, and what do they report? Nineteen million four hundred thousand dollars. After the committee of the Senate made an investigation, made a criticism of the sum the Treasury Department had allowed, the same engineers made another investigation and reduced the amortization amount from $55,000,000 to $19,000,000, in round numbers.

The Couzens case was settled, and they did not collect anything from Mr. COUZENS. On the other hand, he was given a refund of nine hundred and some odd thousand dollars. In the place of COUZENS paying $10,000,000 in additional taxes they finally adjudicated the matter and the Government paid him $900,000.

Well, that matter died down and then another one arose. Evidently the Steel Corporation was not satisfied. Last year we were criticizing it, and they got by with it. Do you not remember that Senator REED would not vote to confirm it?

After that, of course, the thing was off and Congress had said, "It is all right; take what you want." In 1928 they made another audit, and the same people made this audit of the United States Steel Corporation with a view of ascertaining how much they should be allowed to take off in amortization in rendering their taxes. What do they find? They placed it at $22,000,000. That was in February. After a discussion of their report, after Congress had said take all you want, they made another audit and in 1928 they placed it at $32,000,000. In the same year they increased it $10,000,000. Between 1928 and 1930, out of this settlement now being considered, they made another audit. The testimony is that practically the same engineers worked on this. Something must influence them besides their own judgment; something must control these men in arriving at these conclusions. We find in this last audit, on which they were going to pay $21,000,000, a deduction of $48,136,000. I mention that to show you that the result of the Couzens committee investigation was beneficial to the Treasury Department. If the Treasury Department had settled with the United States Steel Corporation at that time we would not have refunded a nickel, but the department did not do it. They continued to postpone it from time to time until they arrive to-day at the point where they will hand them a check for $33,000,000 plus.

What is my contention? If you will take this report and read it—it is rather long and I shall not insert it in the RECORD, but any gentleman can examine it if he so desires—you will see that it shows that there are enough controverted facts that have not been adjudicated by either the tax board or the courts involved in this case not only to justify it, but to demand that the Treasury Department of the United States go into the courts and let them adjudicate what we owe, if anything, to the United States Steel Corporation. The United States Steel Corporation is able to pay every dollar of taxes it owes this Government, and surely this Government is able to pay every dollar that may be due the United States Steel Corporation. Why do we O. K. a settlement which the record shows was made through concessions upon the part of the Government and the Steel Corporation sitting opposite each other at the table—between Mr. Gary, whose memory we all revere because he was a great man in many senses of the word, and Mr. Mellon sitting on the other side, trading on your money and my money and on the money of the stockholders of the United States Steel Corporation? I say, go into the courts and let the courts of this country settle it, and I for one would be willing to vote a $50,000 fee to a special attorney to undertake to settle once and for all in this country the issues that are involved in the matter of the largest taxpayer in the United States. And when the courts have settled it, the country would acquiesce and be satisfied, even if we should pay $10,000,000 more than we would pay now.

I would much rather do that, because I want to see this country have confidence in the legislative and executive branches of the Government, and many a man and many a woman will be suspicious; yes, very doubtful, whether they are being justly treated by paying out the taxpayers' money in this matter, acquiesced in by an indorsement of the legislative branch of the Government through its approval of this refund.

Mr. COLLIER. Mr. Speaker, will the gentleman yield?

Mr. GARNER. Yes.

Mr. COLLIER. I call the attention of the gentleman to the United Cigar Stores case, and also the case of the Grand Rapids Furniture Co. In the United Cigar Stores case an opinion was rendered by the Court of Claims, and an entirely different opinion was rendered on almost the same state of facts by the Board of Tax Appeals in the case of the Grand Rapids Furniture Co. The gentleman will recall that the United Cigar Stores case was up for trial in the Supreme Court and ready to be heard. Had that case been tried and adjudicated two years ago, nearly all of the trouble and the trading which has been indulged in in this case would have been eliminated, and the excuse given for not going to court was that it would take four or five years to do it. Is it not true that when that case was ready for trial it was on the motion of the Solicitor of the Internal Revenue Bureau that the case was dismissed?

Mr. GARNER. Mr. Speaker, it has been discussed in magazines, in newspapers, in club rooms, and in other places throughout this country, and comment has been made on the fact that cases have been prepared by the Treasury Department to set up a theory and a rule by which the larger taxpayers of this country would secure refunds and reduction in their obligation for taxes in the future.

I wish I had the power and the opportunity to write a law in view of some of these court decisions undertaking to make each man and each corporation pay according to its ability to pay. I would very much like to see some of these courts, some of these attorneys representing this Government, compelled to eat their own words, or else make the people whom they undertake to serve while drawing salaries from the United States pay more taxes, it may be, than they ought to pay, because I would make that law rather severe on those who have been avoiding taxes in the past.

Mr. LINTHICUM. Mr. Speaker, will the gentleman yield?

Mr. GARNER. Yes.

Mr. LINTHICUM. How did the Baldwin Locomotive Works manage to carry on or delay in the refund of taxes from 1912 up to the present time? I thought there was a limitation somewhere.

Mr. GARNER. I have just said to the House a moment ago, possibly the gentleman did not understand me, that I saw this in the report here, but I can not account for it, and I hope the chairman will at some time explain to the House of Representatives how it is that the Baldwin Locomotive Works can go back to 1912 and get a refund for that year, when all other taxpayers seem to be barred by the statute of limitations.

The SPEAKER. The time of the gentleman from Texas has expired.

Mr. GARNER. Mr. Speaker, I ask unanimous consent to proceed for 15 minutes more.

The SPEAKER. Is there objection?

There was no objection.

Mr. RAMSEYER. Mr. Speaker, will the gentleman yield?

Mr. GARNER. Yes.

Mr. RAMSEYER. In the case of the Baldwin Locomotive Works, did I not understand the gentleman to say that hearings were held before his committee at which time these proposed refunds were considered?

Mr. GARNER. No; the gentleman did not hear me say that. The gentleman heard me say that we had only one case, and

that there has been but one case before us in two years since we have been created and that is the case of the United States Steel Corporation.

Mr. RAMSEYER. Then this Baldwin Locomotive Works case has not been before the gentleman's committee?

Mr. GARNER. Has not been and will not be unless Mr. HAWLEY calls us together for that purpose. That is what I complain about. He passes on the whole business and we do not have anything to say, and when he does call us together it is only to prevent public sentiment being misinformed as to the amount of the refund.

He is a little afraid of the sentiment of the country with reference to that refund.

Mr. RAMSEYER. Mr. Speaker, will the gentleman yield there?

Mr. GARNER. Certainly.

Mr. RAMSEYER. Let me ask the gentleman another question as to the procedure. Do I understand that this joint committee, composed of five members from each House, can function only when the chairman of that joint committee desires that it shall do so?

Mr. GARNER. The gentleman is correct.

Mr. RAMSEYER. I wanted to get the facts.

Mr. OLIVER of Alabama. Mr. Speaker, will the gentleman yield for a question?

Mr. GARNER. Certainly.

Mr. OLIVER of Alabama. I want to ask the gentleman if any statement was submitted in writing by the absent majority members of the joint committee, or through the chairman, holding their proxies to the effect that they had given some study to the facts in the case?

Mr. GARNER. With all due respect to our associates at the other end of the Capitol, as well as some of our associates at this end, I do not think they ever saw it. I think that because I happened to have an experience along that line myself.

What I object to is this: I object to leaving it in this way rather than turning it over to the courts, because a court can look into the questions of reduction, amortization, and valuation of the Chickasaw Shipbuilding & Car Co., for instance, costing in 1917 something over $8,000,000. They allowed them to deduct before we taxed them over $7,000,000, leaving to be taxed alone of invested capital something over $1,000,000 on an $8,000,000 investment.

Now, I want to call your attention to another matter, to illustrate the action of the committee and the action of the chairman, who have the disposition and the courage to do their duty, and what good results and effects would come from it. I have in my hand a report that was made by Mr. Green, of Iowa, chairman of the Committee on Ways and Means, in 1927, after investigation by this joint committee of section 220, which provided for a penalty, as you will recall, assessed on these corporations that did not distribute their assets and later on declared a stock dividend and thus avoided all taxation.

He made an investigation and rendered an elaborate report, and Mr. Green wrote a letter to this committee in which he calls attention to the failure of the Treasury Department to efficiently enforce that provision. Now, remember that up to that date, 1927, there had never been a dollar, so far as I know, collected under that section 220. Mr. Green made the investigation and wrote this letter. When we had this recent hearing I requested to be informed about the matter, and on March 13 Mr. Parker writes a letter, which reads as follows:

CONGRESS OF THE UNITED STATES,
JOINT COMMITTEE ON INTERNAL REVENUE TAXATION,
Washington, March 13, 1930.

Hon. JOHN N. GARNER,
House of Representatives, Washington, D. C.

MY DEAR CONGRESSMAN: As per your request at the joint committee meeting of yesterday, I am inclosing herewith a copy of a letter addressed to me by Mr. E. C. Alvord, special assistant to the Secretary of the Treasury, in connection with amounts collected under section 220 of the revenue acts.

You will note that the total amount of collections is in excess of $5,000,000. This is a very great improvement over the situation which was shown in my former report on this subject made to the joint committee under date of January 22, 1927. At that time the record submitted to me failed to disclose that one dollar in taxes had been collected under section 220 up to the time of the report. It is true that subsequently the bureau claimed that they had collected about $75,000 under the early acts.

I would appreciate being advised if you desire any further investigation of this subject.

Very respectfully,

L. H. PARKER, *Chief of Staff.*

Under date of February 20, 1930, Mr. Alvord writes to Mr. Parker, as follows:

TREASURY DEPARTMENT,
Washington, February 20, 1930.

Mr. L. H. PARKER,
Chief of Staff, Joint Committee on Internal Revenue Taxation, House Office Building, Washington, D. C.

DEAR MR. PARKER: Your letter of December 9, with reference to the amounts collected under section 104 of the revenue act of 1928 and section 220 of prior revenue acts, was duly received.

I am advised by the general counsel that from an examination of the cases disposed of by his office the collections and reasonably certain collections under cases disposed of amount to $5,679,475.22. This figure does not include the amounts pending in court, the collection of which has been stayed by injunction proceedings ($682,586.44), nor does it include the large amount involved in cases pending before the Board of Tax Appeals. The above amount does not, of course, give any indication as to the amount of surtax which has been collected as the indirect result of the provision and its administration.

Very truly yours,

E. C. ALVORD,
Special Assistant to the Secretary of the Treasury.

This same statute that was put on the books in substance in 1913 ran along until 1927 without a dollar ever being collected on enforced distribution of excessive profits carried into the Treasury in order to declare stock dividends and avoid taxation. Not a dollar was collected. But as the result of that investigation and the chairman's criticism in consequence of it, the Treasury Department began to enforce the law, and the United States Treasury is richer by $5,000,000 and more. Mr. Alvord says that that is nothing compared with what has been produced by collections from other corporations. In other words, that brought about a distribution of profits in this country which in a material way, in my opinion, is responsible for the tremendous increase in the personal income in the last report. The last report shows an increase of over $200,000,000 in personal profits. This provision assessed a fine of 50 per cent of their profits. The surtax increased our income by perhaps $200,000,000.

Mr. COLLIER. Mr. Speaker, will the gentleman yield there?

Mr. GARNER. Certainly.

Mr. COLLIER. I would like the gentleman to emphasize how much money has been paid in rebates to this corporation, and also to advise us whether these cases before us were the only ones up to 1919 and running to last year.

Mr. GARNER. I will call to your attention table showing total refunds and credits given to the United States Steel Corporation:

Refunds and credits, with interest, United States Steel Corporation, per joint committee records

	Refund or credit	Interest
Year 1917:		
December, 1925	$22,621,502.92	
November, 1926	37,503.39	
February, 1928	4,492,745.26	
Do	1,147,823.11	
December, 1928	15,756,595.72	$10,099,765.42
Subtotal, 1917	44,056,170.40	10,099,765.42
Year 1918:		
February, 1928	1,512,719.60	23,597.31
March, 1928	7,864,171.82	
March, 1930 proposed	14,744,510.72	(1)
Subtotal, 1918	24,121,402.14	23,597.31
Year 1919:		
February, 1928	273,004.63	32,248.20
March, 1930, proposed	4,345,417.63	(1)
Subtotal, 1919	4,618,422.26	32,248.20
Year 1920:		
February, 1928	269,087.37	31,725.48
March, 1930, proposed	2,465,429.54	(1)
Subtotal, 1920	2,734,516.91	31,725.48
Grand total for 4 years:		
Grand total refunds and credits	$75,530,511.71	
Grand total interest	22,187,336.41	
Grand total, refunds, credits, and interest	97,717,848.12	

[1] Interest on proposed refunds March, 1930 (established by Treasury), $12,000,000.

There are others who got a refund. They will be given to the public to-morrow, as I understand. In 1929 and from January 1, 1930, to March 12, 1930, there were more refunds made to the State of Pennsylvania than any other State in the Union. One

of three things must undoubtedly have occurred in the State of Pennsylvania: Either they are the most generous taxpayers of any State in the Union, rendering more taxes to the Government than they owe to it, or else they are the most ignorant people and do not know how to make out their tax returns; or, third, they are the most favored people in making out their tax refunds. I ask you which of these three things it is?—

1929 refunds, credits, and abatements over $500,000

National Lead Co., New York, 1919 and 1921	$629,408.36
New York Life Insurance Co., New York, 1927	504,082.76
Standard Gas & Electric Co., Chicago, 1918 and 1919	536,799.15
John Hancock Mutual Life Insurance Co., Boston, 1924, 1925, and 1926	692,947.86
Botany Worsted Mills, Passaic, N. J., 1918	645,914.52
Crimmins & Pierce Co., Boston, 1919	522,990.95
Equitable Life Assurance Society of the United States, New York, 1922, 1923, and 1927	564,829.70
Mutual Life Insurance Co. of New York, New York, 1926	534,733.83
General Electric Co., Schenectady, 1923 to 1925	556,917.21
Mutual Life Insurance Co. of New York, New York, 1923 to 1925	674,286.93
Consolidated Coal Co. of St. Louis, St. Louis, 1918	938,265.47
Philadelphia Electric Co., Philadelphia, 1924 to 1927	775,023.36
Southern Pacific Co., New York, 1918 to 1921	687,820.95
Metropolitan Life Insurance Co., New York, 1922	771,848.64
The Pullman Co., Chicago, 1919 to 1921	642,892.84
American Window Glass Co. and subsidiaries, Pittsburgh, 1917 to 1919	2,131,237.97
Westinghouse Air Brake Co. and subsidiaries, Wilmerding, Pa., 1917 to 1920, 1922	1,192,038.50
Youngstown Sheet & Tube Co., Youngstown, Ohio, 1918	1,088,853.95
American Shipbuilding Co., Cleveland, 1918, 1920, and 1921	2,616,243.44
Emery, John J., estate of, Philadelphia, 1920 to 1923	1,257,393.69
Prudential Insurance Co. of America, Newark, 1923 and 1927	1,471,143.54
Baldwin Locomotive Works, Philadelphia, 1912 to 1924 and 1926	3,772,677.75
Chicago, Burlington & Quincy Railroad, Chicago, 1917, 1918, 1919, 1920, and 1922	1,695,756.13
Middle States Oil Co. and subsidiaries, New York, 1920 to 1922	4,320,768.64

Partial list of additional refunds, credits, and abatements

Edison Electric Illuminating Co., Boston	$86,449.36
National Power & Light Co., New York	86,658.28
North Boston Lighting Properties, Boston	107,951.39
United Fuel Gas Co., Charleston, W. Va	131,197.20
Lehigh Power Securities Corporation, New York	93,547.83
General Gas & Electric Co., New York	170,026.55
Pacific Gas & Electric Co., San Francisco	436,074.41
Philadelphia Electric Co., Philadelphia	241,187.99
Public Service Electric Co., Newark, N. J	211,249.78
Los Angeles Gas & Electric Corporation, Los Angeles	117,811.55
Manufacturers Light & Heat Co., Pittsburgh	81,005.90
Utah Power & Light Co., Salt Lake City	164,525.53
St. Helens Petroleum Co. (Ltd.), Los Angeles	412,333.38
Dixie Oil Co., Shreveport	77,811.34
National Refining Co., Cleveland	124,890.98
United North & South Oil Co., Luling, Tex	293,604.42
Superior Oil Corporation, Lexington, Ky	82,933.14
Norfolk & Western R. R. Co., Roanoke, Va	308,864.94
Minneapolis, St. Paul & Sault Ste. Marie Ry. Co., Minneapolis	178,076.28

Overassessments in excess of $1,000,000; for the period January 1, 1930, to March 12, 1930

January, 1930:	
Philadelphia Co. and subsidiaries, Pittsburgh, Pa. (1917 to 1923, inclusive)	$2,562,798.20
Public Service Corporation of New Jersey and subsidiaries, Newark, N. J. (1918 to 1922, inclusive)	2,283,508.94
February, 1930:	
Estate of Paul Brown, St. Louis, Mo. (1927)	1,333,408.84
United States Steel Corporation and subsidiaries, New York (1918 to 1920, inclusive)	21,555,357.89
F. W. Woolworth Co., New York (1917 to 1921, inclusive)	1,177,356.47
F. W. Woolworth Co., New York (1922 to 1926, inclusive)	1,385,573.88

Mr. MOORE of Virginia. I have been interested in the gentleman's statement. It seems to me that a great step in advance may be taken by abolishing the proxy rule. Recently, in a very wise decision, the Speaker said that proxies could not be used in the House. They can not be used in the standing committees. Why should they be used in this joint committee, which has the power to prevent payment of these refunds until they are approved by the committee?

Mr. GARNER. I will say to the gentleman from Virginia that if proxies are abolished it would not influence me a bit, because I have attended every meeting of the Committee on Ways and Means while I was able to go, as well as every meeting of the joint committee. But, I repeat, that if the gentleman from New York [Mr. CULLEN] should want to go to New York, and it was desired to vote the full Democratic membership, the gentleman might say, "Mr. Chairman, will you permit Mr. GARNER to cast my vote for me?" We do not want to stand in his way. That is the reason I think proxies are filed.

But I want to call attention to some of these particular things and ask if you do not believe Congress ought to look into this and see just how these things are done. Mr. Speaker, give us a committee. Nobody ought to be afraid to have you look into their business. All business ought to be public. There should be no secrecy in business, even in tax paying. If you will give this House a committee, they can look into it. You can appoint the committee, Mr. Speaker. You can appoint the most intelligent and reliable men you can find to place on that committee; stand-pat, regular Republicans, who will do your bidding, and let us just look into these things and see what is going on in the Treasury Department. Mr. Speaker, it may come about sooner than you think, because if the Democrats ever get control we are going to look into Uncle Andy's books. Just remember that. He knows it, too; and he is preparing for it. He is settling these cases while the settling time is good. He is settling these cases with these gentlemen from Philadelphia and Pittsburgh.

One I find here is the American Window Glass Co. and subsidiaries, Pittsburgh. The refund of taxes for 1917 to 1919, two years, was $2,131,000. I do not know anything about the glass business, but I am told that Pittsburgh is the greatest glass-producing section of the world. I do not know who owns that glass company. None of us knows anything about it. As I said a year ago, those corporations in which we know the Secretary of the Treasury has a large interest and which are controlled by his family, are making these compromises in the Treasury Department. Secretary Mellon makes a compromise with President Mellon of some company. Gentlemen, it is not right. It does not appeal to your conscience and sense of justice, and I believe if you will look into it you will find that favoritism has been shown. In order to show favoritism to his own companies he establishes a policy that gives favoritism to similar companies doing business throughout the country.

Mr. AYRES. Will the gentleman yield?

Mr. GARNER. I yield.

Mr. AYRES. I would like to ask the gentleman if he finds any Kansas or Oklahoma oil companies on that list?

Mr. GARNER. I notice one oil company on the list, but it is not located in that territory. It is one of the largest ones. It is the Middle States Oil Co. and subsidiaries of New York—1920 to 1922 there was a refund of $4,320,000. That is a New York company. How that oil company could have made a mistake in the rendition of its taxes $4,320,000 in two years, considering the character of business it does, is beyond my imagination. I never heard of business people like we have in the United States, who have been so wonderfully successful in spreading commerce throughout the world; I never realized that there were so many big corporations which did not know how to make out their tax rendition.

The SPEAKER. The time of the gentleman has expired.

Mr. GARNER. I am calling attention to this, gentlemen, because I think the Republican organization ought to investigate with a view to looking into the Treasury Department for the benefit of the Treasury Department and for the benefit of the entire country. You can do it without making a political matter of it, and I believe it would be to the best interest of the Treasury Department and of the country, and to the satisfaction of the House of Representatives. [Applause.]

RESOLUTIONS ON THE DEATH OF FORMER CHIEF JUSTICE WILLIAM HOWARD TAFT AND FORMER ASSOCIATE JUSTICE EDWARD TERRY SANFORD

The SPEAKER. The Chair lays before the House the following communication from the Clerk, which the Clerk will read.

The Clerk read as follows:

HOUSE OF REPRESENTATIVES, CLERK'S OFFICE,
Washington, D. C., March 13, 1930.

The SPEAKER OF THE HOUSE OF REPRESENTATIVES.

SIR: I have the honor to inform you that pursuant to the direction of the House I did this day deliver to the Supreme Court of the United States, in session, copies of the resolutions adopted by the House of Representatives on March 10, 1930, expressing the sorrow of the House because of the death of William Howard Taft, former Chief Justice, and of Edward Terry Sanford, late associate justice of the Supreme Court.

Mr. Chief Justice Hughes, on behalf of the court, expressed appreciation of the action of the House of Representatives and directed that the resolutions be spread upon the court's records.

Respectfully,

WILLIAM TYLER PAGE,
Clerk of the House of Representatives.

TRANSPORTATION OF PERSONS IN INTERSTATE AND FOREIGN COMMERCE BY MOTOR CARRIERS OPERATING ON PUBLIC HIGHWAYS

Mr. PARKER. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 10288) to regulate the transportation of persons in interstate and foreign commerce by motor carriers operating on the public highways.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for further consideration of the bill H. R. 10288, with Mr. LEHLBACH in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the committee rose all time for general debated had been exhausted. The Clerk will read the bill for amendment.

The Clerk read as follows:

DEFINITIONS

SECTION 1. (a) As used in this act—

(1) The term "corporation" means a corporation, company, association, or joint-stock association.

(2) The term "person" means an individual, firm, or copartnership.

(3) The term "board" or "State board" means the commission, board, or official (by whatever name designated in the laws of a State) which, under the laws of any State in which any part of the service in interstate or foreign commerce regulated by this act is to be performed, has or may hereafter have jurisdiction to grant or approve certificates of public convenience and necessity or other form of permit to motor-vehicle common carriers in intrastate commerce over the public highways of such State.

(4) The term "commission" means the Interstate Commerce Commission.

(5) The term "certificate" means a certificate of public convenience and necessity issued under this act.

(6) The term "interstate or foreign commerce" means commerce between any place in a State and any place outside thereof; or between points within the same State but through any place outside thereof.

(7) The term "public highway" includes the public roads, highways, streets, and ways in any State.

(8) The term "motor vehicle" means all vehicles or machines propelled by any power other than muscular power and used upon the public highways for the transportation of persons, except that the same shall not include any vehicle, locomotive, or car operated on a rail or rails, or motor vehicles used exclusively in the transportation of property.

(9) The term "State" means the several States and the District of Columbia.

(10) The term "common carrier by motor vehicle" means any common carrier of persons operating motor vehicles for compensation in interstate or foreign commerce.

(11) The term "charter carrier by motor vehicle" means any carrier of persons operating motor vehicles for compensation in interstate or foreign commerce, not as a common carrier. Carriers of persons operating motor vehicles hired or leased for a specific trip or trips shall not be considered common carriers for the purposes of this paragraph or of paragraph (10).

(12) The term "motor carrier" includes both a common carrier by motor vehicle and a charter carrier by motor vehicle.

(b) Nothing in this act shall be construed to include (1) motor vehicles employed solely in transporting school children and teachers; or (2) taxicabs, or other motor vehicles performing a similar service, having a capacity of not more than six passengers and not operated on a regular route or between fixed termini; or (3) motor vehicles owned or operated by or on behalf of hotels and used exclusively for the transportation of hotel patrons between hotels and local railroad or other common carrier stations and/or for local sight-seeing purposes.

Mr. PARKER. Mr. Chairman, I offer the following committee amendment.

The CHAIRMAN. The gentleman from New York offers an amendment, which the Clerk will report.

The Clerk read the committee amendment, as follows:

Page 4, line 1, after the word "stations," insert a period and strike out all of line 2.

Mr. PARKER. Mr. Chairman, the object of the amendment is to put all sight-seeing busses on the same level, whether owned by hotels or any other corporations. Inadvertently they were exempted, and this amendment will put them in the class where they have to have a permit.

Mr. RANKIN. Mr. Chairman, I rise in opposition to the amendment, and ask unanimous consent that I may be permitted to speak for 20 minutes.

The CHAIRMAN. The gentleman from Mississippi asks unanimous consent to proceed for 20 minutes. Is there objection?

There was no objection.

Mr. RANKIN. Mr. Chairman, I wish to say in the beginning that in questioning or opposing the provisions of this bill, and in questioning the judgment of those who favor it, contrary to what seems to be the impression of some members of the committee, I am questioning the integrity of none of them.

But I want to say frankly now that I consider this the worst piece of legislation that has come before Congress since I have been a Member of this House. It builds a virtual Chinese wall along State lines, so far as the great masses of our people are concerned, unless they patronize those favored interests that will have practically an exclusive privilege of operating transportation busses upon the highways of our States and counties, which are built by the taxes of the people we here represent.

Several members of the committee on yesterday denied that this bill gives the Interstate Commerce Commission the right to fix rates. Now, you read the bill and you will find that before a "certificate" is issued, the man who applies for it must publish a schedule of the rates he proposes to charge. If the Interstate Commerce Commission says they are too high they can refuse to issue the "certificate." If the Interstate Commerce Commission, prompted by some competing line or carrier, says they are too low, they can refuse to issue the "certificate" until he publishes and agrees to charge the scale of tariffs with which the Interstate Commerce Commission agrees. If that is not fixing rates, I want to know what would be fixing rates.

Not only that, but it does more. It puts out of business thousands of independent operators in your district and mine.

Let me call your attention to these facts—and I was utterly surprised at the gentleman from Illinois [Mr. DENISON]. I have been trying for seven years to help him get a permit to build a bridge across the Ohio River at Cairo in order that the people in Kentucky and States farther south might use that highway to go north and south, and in order that the people of that portion of Illinois might use it. Let us see what it would mean if this bill were passed. An independent bus owner down in the State of Kentucky could not use the road without permission of the Interstate Commerce Commission. I presume in that portion of Kentucky the people are similar to the people in the district which I have the honor to represent, because there we haul our school children to school in the country districts. Those bus owners use those busses to carry people to fairs and to towns, such as Memphis, Nashville, Birmingham, Louisville, Cairo, and so forth. They use them for other purposes and on other occasions, but when this bill becomes a law there will be a concrete wall across the road at the State line so far as they are concerned.

It will be the same way with the people in your districts. Why? We will say here is a man who owns a school bus. When I referred to school busses yesterday several of the members of the committee became excited and said they were exempting school busses if they were merely used to haul children to school and provided they were used for that purpose only.

However, a man who owns such a bus desires to use it for other purposes. We have a fair in my town, the North Mississippi-North Alabama Fair. The people across the State line in Alabama want to come to that fair. They go into the community and hire the man who owns one of these school busses to bring them there. Do you think they can do that under this bill? Let us see about that. I want you to take this home to your districts, because this is one bill you are going to have to answer for. They will be told that if they go across the State line without having a permit the owner will be arrested and carried before a Federal court and fined $100 for each offense. If you do not believe that read the provisions of the bill. The bill requires that they must apply to the Interstate Commerce Commission and get a permit, and by the time they would hear from the Interstate Commerce Commission the fair would be over and forgotten. It will paralyze those independent bus owners over the country who are now using their busses for the convenience of the public.

Not only that, but in cases where a certificate is required the Interstate Commerce Commission would require that the operator publish for 30 days the charges he proposes to make for carrying passengers, and then they will determine whether or not he is charging them enough.

Mr. PARKER. Will the gentleman yield?

Mr. RANKIN. Yes.

Mr. PARKER. The gentleman is mistaken. There is nothing about charging them for a permit.

Mr. RANKIN. I did not say anything about charging them for a permit. I said they had to get a permit or certificate and then had to publish a schedule of their charges for carrying passengers.

Mr. PARKER. Not if they are operating under a permit. The gentleman is mistaken about that?

Mr. RANKIN. Well, I believe they call it a certificate of convenience.

Mr. PARKER. That is entirely different.

Mr. RANKIN. Of course, if he is operating on a regular run, a "certificate" of convenience will be required, and he must get

this "certificate" of convenience from the Interstate Commerce Commission in Washington.

Mr. NELSON of Maine. Will the gentleman yield?

Mr. RANKIN. Yes; for a question.

Mr. NELSON of Maine. The gentleman wants to be fair. The gentleman is talking about these men who are using school busses, and it is the permit that applies here.

Mr. RANKIN. The gentleman knows that if they use these busses as common carriers and use them for purposes other than carrying children to school they will either have to have a permit or a certificate.

Mr. NELSON of Maine. No; the gentleman has not read the bill.

Mr. RANKIN. Yes; I have.

Mr. JOHNSON of Indiana. The gentleman is confusing the two matters. The certificate of convenience and necessity must be secured by a man who is running over a regular and fixed route, while a permit is that required for a charter carrier, who is entitled to go any place.

Mr. RANKIN. I do not care whether it is a permit or a certificate you have got to get it from the Interstate Commerce Commission. The gentleman from New York agrees to that and the gentleman from Indiana knows that whenever that provision goes into effect an independent owner will be put out of business, as far as crossing a State line is concerned, unless he is operating on a regular run, and then he will probably, most probably, suffer the same fate.

Take the city of Cairo, which is right in the corner of three States, you say to the independent bus owners who wish to cross the State line that they must have this permit from the Interstate Commerce Commission, and if they undertake to operate without it, they will be hauled up in Federal court in Arkansas, in Missouri, or in Illinois, one of the States they pass through, and right then and there you shut the door in their faces and put a stop to this type of transportation, this cheap transportation, that has grown up throughout the country under this new industry that has been brought about by the development of motor transportation.

Oh, I will tell you what they are after; I will tell you what is behind this bill. It is not the people in the States. They were not even heard. The great transportation corporations are behind it.

Mr. O'CONNELL of New York. Will the gentleman yield?

Mr. RANKIN. Just for a question.

Mr. O'CONNELL of New York. Were not the bus owners heard at the meetings of the committee?

Mr. RANKIN. Oh, yes; the owners of the big bus concerns were.

Mr. O'CONNELL of New York. I mean the small ones.

Mr. RANKIN. No; the ones I am talking about did not know it was going on.

Mr. O'CONNELL of New York. They were here in Washington and I thought they were heard.

Mr. RANKIN. Not the men I am talking about. The men who own the interstate lines were here, but the independent bus owners I am talking about did not know about it.

Some gentlemen have said that the commission would not refuse to grant the "certificate," because the rates were lower than the rates of a competing carrier engaged in another kind of transportation. I will tell you what they will do. A large railroad company owning a railroad line between two extreme points will also own a bus line, and they will fix the rates on that bus line at just what they are on the railroad, and, of course, when they come before the Interstate Commerce Commission to complain of an independent carrier they will not say they are cutting the rates below those of the railroad, but below those of their bus line, which will be one and the same thing.

Not only this, but in this bill you destroy the antitrust laws, as the gentleman from Alabama has pointed out. You override the constitutions of various States and the antitrust laws of various States.

Not only that, but you paralyze the independent transportation system that is used by the people in the smaller communities, and along State lines in general.

You will hear from this bill when you go home and it is found out by the people there that under this law they can not load up a truck or a bus and go to a show or a ball game or a fair across the State line unless they get a permit from the Interstate Commerce Commission.

Oh, they say, "We want to protect the public." I get suspicious whenever the Interstate Commerce Commission or the great corporate interests of the country become so solicitous about the safety of the people that they want to put over some such legislation as this.

Mr. BURTNESS. Will the gentleman yield?

Mr. RANKIN. I will yield to the gentleman.

Mr. BURTNESS. Does the gentleman favor or oppose the law in his own State of Mississippi covering the regulation of busses in intrastate traffic?

Mr. RANKIN. I will say to the gentleman from North Dakota that I leave the passage of laws in the State of Mississippi to the legislature of that State. I have heard of no complaint of the law of that State.

I live within 30 miles of the State line, and thousands of people from the district I represent cross the State line every Sunday, every holiday, in these private busses, and I am not willing for them to be denied the privilege of riding over a road which they are taxed to build in order that we may stifle and strangle the competition which bus transportation has brought to the railroads, due to the enormous charges those railroads are now permitted to make.

No wonder the people are resorting to motor-bus transportation. Railroad rates are higher to-day than they have ever been in the history of this country, and conditions among our people are worse than they have been for years.

But you seem to be more solicitous about the railroads than you are about the people. They not only charge their usual fare, but the Pullman Co. charges its fare, and then, under the present law, the passenger who rides on the railroad and uses the Pullman car is held up for 50 per cent of his Pullman fare, which goes to the railroad, for which they render no service whatsoever. I understand it amounts to $37,000,000 a year.

When we tried to repeal this Pullman surcharge a few years ago Members threw up their hands in this House in holy horror and said, "If you repeal that provision, it will be impossible for the railroads to reduce freight rates." You voted down the repeal, and now I would like to hear from all of you who think they have reduced freight rates.

These excess charges have forced the people to resort to bus transportation in self-defense, and now you propose to put into effect this method of strangulation to deprive them of the private transportation, the cheap transportation, that has come as a convenience to the people of your district and of mine.

Oh, they say "the safety of the public must be considered and we want to make them take out insurance." Do you think that the Interstate Commerce Commission, do you think the great transcontinental bus lines, do you think the railroad corporations are any more interested in the welfare of the people of your State than are the people themselves? Forty-six out of the 48 States have public-service commissions. They can protect the people of the various States without perpetrating any injustice in doing so.

Mr. MERRITT. Not in interstate traffic.

Mr. RANKIN. Of course, they can. I thought some gentleman would make that statement.

Mr. NELSON of Maine. Will the gentleman yield?

Mr. RANKIN. Yes.

Mr. NELSON of Maine. Does the gentleman make the statement that the States can require the interstate operator to take out insurance?

Mr. RANKIN. Let me tell the gentleman from Maine something——

Mr. NELSON of Maine. I would just like to have the gentleman on record. Is that the gentleman's statement?

Mr. RANKIN. The State of Mississippi can require any man, even one who cranks up his car, if it wants to do so, to take out a driver's license, and take out an insurance policy, and some of the States require this.

Mr. NELSON of Maine. Will the gentleman answer my question?

Mr. RANKIN. Oh, yes.

Mr. NELSON of Maine. Will the gentleman answer my question?

Mr. RANKIN. I said they could.

Mr. NELSON of Maine. Does the gentleman state to this House that the State can impose the requirement of insurance on interstate carriers with regard to passengers?

Mr. RANKIN. They can compel anybody who operates a vehicle in the State to give an indemnity bond to protect passengers or others from injury at their hands.

I own an automobile and have an insurance policy. It was taken out at Tupelo, Miss. If I ran over an individual coming through West Virginia or through Ohio or Tennessee or Mississippi or anywhere else, my policy would cover it. I submit that every State in the Union could force the driver who goes through that State to have such a license.

But even if that were not the case, that is not what brought this bill here. It is here to give the Interstate Commerce Commission power over rates, and if you kept the power to fix rates out of the bill, its sponsors would lose interest at once. But

the object is to put the small men out of business, to put the independent operators out of business, and turn the business over to the great railroad companies, the great transportation lines, that will operate and control these bus lines.

Mr. BRIGGS. Will the gentleman yield?

Mr. RANKIN. I yield.

Mr. BRIGGS. The gentleman from Maine asked a moment ago whether the State had the right to exercise its power over interstate transportation and require insurance. Let us see what the committee said about that in its report on page 2:

As a result, at the present time the interstate transportation of persons by motor carriers is unregulated, except in so far as it is subject to control by the States, under their police power, with respect to the imposition of regulations for the purpose of insuring the public safety and convenience and the exaction of fees for the purpose of defraying the expense of administering such regulations.

Mr. RANKIN. I have no doubt about it. The railroads are not after the transcontinental lines; they own them now. They are after the short lines that run across State lines and furnish cheap transportation to the masses of our people. They are trying to throttle transportation, kill off competition, and force the people to patronize them.

The fare to-day from here to New York is $5.50 by bus; by railroad it is $8.50; and it will be the same by bus after this bill passes. A Member from the State of Texas told me this morning that the rate by bus from Texas to California was $25. By railroad it is $50. If this bill passes, the rates will be the same by bus.

For years the agricultural States have made a fight against the freight and passenger rates. Let me sound the warning now, that if you pass this bill it will not be two years before one will be brought in asking you to apply the same restriction to trucks carrying freight. If this policy is carried out, we will have lost what we have gained by the progress of man in developing the motor vehicle that gave us our only protection against the exorbitant charges for freight and passenger transportation.

Mr. FULMER. Mr. Chairman, will the gentleman yield?

Mr. RANKIN. Yes.

Mr. FULMER. As a matter of fact the Interstate Commerce Commission requested this committee to put truck lines in the bill at this time.

Mr. RANKIN. Certainly. Of course, they are in favor of it. That is the next step.

Mr. HUDDLESTON. Mr. Chairman, will the gentleman yield?

Mr. RANKIN. Yes.

Mr. HUDDLESTON. May I say that the only reason the truck lines were not put in the bill was that they do not want to get in? Had they wanted to get in they would have been put in. The bus operators wanted to get in, and we put them in. In other words, we are legislating here for the benefit of a certain type of people, and we do what they want us to do.

Mr. RANKIN. When the railroads come in the next time and demand that the truck lines be put in, the committee will put them in.

Our people are in distress, money is scarce throughout the country, and those people have to use every opportunity they can to make or save a dollar. Yet these favored interests are coming to Congress and asking us to finish the strangulation of those people who have benefited for the last 8 or 10 years from the use of the motor vehicle. [Applause.]

Mr. PARKER. Mr. Chairman, I move to strike out the last word. I wish to correct an impression that perhaps was left by the gentleman from Mississippi [Mr. RANKIN] regarding the difference between a certificate of convenience and necessity and a permit. A certificate of convenience and necessity means that the motor line getting a certificate must run between fixed termini, must be a common carrier, must run over the same route every day, picking up passengers at various points designated by the Interstate Commerce Commission in the convenience of the public. Let us come now to the permit. Your permit is automatically granted, it costs nothing. What was the object of the committee in putting in the permit? It is perfectly obvious what the reason was. The reason was to stop motor busses running in interstate commerce that did not carry insurance. That is all that the permit does. But anybody can get a permit. You have not got to come to Washington. Automatically you get the permit, but you can not operate under a permit without insurance, and I wish to state to the gentleman that we had the Mississippi law under consideration, and that is even more regulatory than the law we are asking you to enact here to-day.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. PARKER. Yes.

Mr. RANKIN. To send to Washington, under the case that I pointed out, and get a permit would take at least a week, and possibly a year.

Mr. PARKER. The gentleman is perfectly correct. But he is speaking of certificates of convenience and necessity for common carriers, not permits for charter carriers. The bill provides that any charter carrier can operate for 90 days after the passage of this bill without a permit. If a man is going to use his bus in interstate commerce, he has got 90 days in which to send a 2-cent stamp to Washington and get his permit, but I do not believe, nor do I think the gentleman from Mississippi believes, that irresponsible people should be carrying children to fairs in worn-out busses, busses that are unsafe.

Mr. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. PARKER. Yes.

Mr. ANDRESEN. What does the gentleman have to say on the question of the right of any particular State under existing State law to compel a bus engaged in interstate commerce to carry liability insurance?

Mr. PARKER. I seriously doubt if that constitutionally could be done. No State could demand that a man doing business in interstate commerce should have a license or liability insurance, for such regulation would be an undue burden on interstate commerce.

Mr. ANDRESEN. That hardly agrees with the gentleman from Mississippi [Mr. RANKIN].

Mr. PARKER. I am certain that I am correct on that.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. PARKER. Yes.

Mr. RANKIN. The gentleman says that he can operate for 90 days after the passage of this bill without a permit, but that is providing he is operating now?

Mr. PARKER. Oh, yes.

Mr. RANKIN. Does the gentleman think he can begin at any time and operate for 90 days?

Mr. PARKER. After the passage of this bill he has 90 days in which to get a permit. The permit costs him nothing except the writing of a letter to Washington. There is no fee connected with it, but to run he must get the permit and must have insurance and a bus that is at least safe.

Mr. RANKIN. And publish his rates?

Mr. PARKER. Not with a permit. The gentleman is mistaken.

Mr. PATTERSON. Mr. Chairman, will the gentleman yield?

Mr. PARKER. Yes.

Mr. PATTERSON. Does the gentleman mean to tell me that a man owning a bus in one State and running it into any State can not be required by this State to carry enough insurance to cover liability in any State?

Mr. PARKER. Oh, no; the gentleman must have misunderstood me.

Mr. PATTERSON. Let us take a concrete case. The town in which I live is near the border of Georgia. A man lives there owning a bus, and he runs over into Georgia every few days. Does the gentleman mean to tell me that my State can not compel that man to take out insurance and prescribe regulations as to the kind of a bus that he shall operate?

Mr. PARKER. Absolutely he can not under the present law. The gentleman's State is helpless. I am talking now about interstate business, picking up and delivering in the gentleman's State. He picks up and delivers in the gentleman's State, he comes under the law.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. PARKER. Mr. Chairman, I ask unanimous consent to proceed for five minutes more.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. RANKIN. And if he goes clear across the State without stopping at all—that is your contention?

Mr. PARKER. Yes.

Mr. RANKIN. But the gentleman does not contend that the State would not have the right to pass a law making it a crime for anyone to operate a bus through it without ample protection, would he?

Mr. PARKER. If it were not discriminatory or an undue burden, you are correct.

Mr. RANKIN. We have a law in our State to make railroads comply with certain regulations.

Mr. PARKER. I was not talking about whether you had a law compelling a man in your State, but I think I am correct in the statement——

Mr. RANKIN. Of course, we would not expect to pass a law applying to one operator that would not apply to all of them.

Mr. PARKER. A concrete illustration of what would happen is given by the conditions around the city of Philadelphia.

Busses run from points in New Jersey over into Philadelphia. They pick up passengers in New Jersey, but they do not discharge them in New Jersey, but in Pennsylvania. These busses run without any insurance or regulation, and, as the gentleman from New Jersey said the other day, they charge you one price to go over and another price to come back, and nobody has the slightest control or regulation over those busses.

Now, I want to take up again the questions of permits and certificates. They are as different as night is from day. The permit is simply the permit to run a bus going hither and yon, not on a regular route. But a certificate is different. In the case of a permit there is no regulation as to price. The permittee can carry passengers at any price he wants. There is no limit to his charge.

Now, when you come to the certificate, that is a different proposition. The certificate holder is a common carrier who goes from a given starting point to a given terminus. His rates must be uniform and they must be just and reasonable. But as to the man the gentleman from Mississippi [Mr. RANKIN] is talking about, the small charter operator, his rates are not affected in the slightest degree by the certificate.

Mr. RANKIN. Then under the power that the Interstate Commerce Commission has to pass upon the schedule of rates, it has the right to regulate the rates charged by a competing line, has he not?

Mr. PARKER. I think not.

Mr. RANKIN. The bill so says.

Mr. PARKER. The rates must be just and reasonable. It is up to the commissioners to say whether they are or not.

Mr. RANKIN. The commission has the right to say that you shall not charge less than a competing bus line.

Mr. PARKER. Only if the rate is not just and reasonable.

Mr. RANKIN. So that a competing bus line may be owned by a competing railroad and, of course, charging the same rates. Therefore these little bus lines that are holding on by the eyebrows in your State and in my State, making regular trips, as the gentleman has indicated, will simply be put out of business by the requirements we put on them.

Mr. PARKER. The gentleman is mixing permits with certificates of public convenience and necessity. There is absolutely no control over the rates in the former class. I think the gentleman's remarks will bear me out in that statement.

Mr. RANKIN. In order to make a concrete case, I will say there is a man operating a bus line, say from my home town, Tupelo, to Jasper, the home town of my friend from Alabama [Mr. BANKHEAD], making regular runs.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. PARKER. Please give me three more minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. RANKIN. He would have to have a certificate, would he not?

Mr. PARKER. Yes.

Mr. RANKIN. He is barely holding on.

Mr. PARKER. Yes.

Mr. RANKIN. Now, if a railroad-owned bus line parallel with it runs from Birmingham to Memphis, for example, and he complains, the Interstate Commerce Commission will have the power to make this man on the short-haul charge the same rate as the big bus line owned by the railroad on the long haul.

Mr. PARKER. As was well stated by the gentleman from Texas [Mr. RAYBURN] yesterday, you have to put confidence in somebody somewhere. If you do not believe the Interstate Commerce Commission will do what is fair, then for heaven's sake vote against this bill. As for myself, I am willing to leave it to the discretion and the honesty and integrity of the commission, that they will not do the things the gentleman from Mississippi has just described. [Applause.]

The CHAIRMAN. The time of the gentleman from New York has again expired.

Mr. HUDDLESTON. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman from Alabama is recognized for five minutes.

Mr. HUDDLESTON. Mr. Chairman, the provisions of the bill are clear in the respect discussed by Mr. RANKIN and Mr. PARKER. Bus carriers operating on regular lines from day to day are required to obtain "certificates of convenience and necessity." Bus carriers that desire doing an incidental business, carrying to one place on one day and to another place on another day by special contract or charter, and not operating on regular lines, are required to obtain "permits." Nobody can operate a bus carrier in interstate commerce without having either a certificate or a permit. That much is absolutely certain.

In the instance mentioned by the gentleman from Mississippi [Mr. RANKIN] the bus owner in his own town can not take a load of passengers to Memphis or Birmingham or some other place across a State line without a permit from the Interstate Commerce Commission. He can not make as much as one trip as a charter carrier without a permit from the Interstate Commerce Commission. That much is absolutely certain.

Now, I ask to read section 7 of the bill, on page 13, which provides with reference to operators of busses for special trips—

> No corporation or person shall operate as a charter carrier by motor vehicle in interstate or foreign commerce on any public highway unless there is in force with respect to such carrier a charter carrier permit, issued by the commission, authorizing such operation; except that any charter carrier by motor vehicle in operation on the date of the approval of this act may continue such operation for a period of 90 days thereafter without a charter carrier permit, and if application for a permit authorizing such operation is made to the commission within such period the carrier may, under such regulations as the commission may prescribe, continue such operations until otherwise ordered by the commission.

The only exception to the rule, that a permit must first be obtained from the commission, is where an operator is engaged in the business of accepting charters, that is, hiring his bus out to make incidental or special trips at the time this bill is passed, can continue in that business without a permit for 90 days.

Any operator who may be in that business at the time this bill is passed may continue without a permit for 90 days; but nobody can enter that business after the bill is passed and nobody can continue in it beyond 90 days unless he has a permit to do business.

What is necessary to get a permit? Section 7, subsection (b), page 14, provides that—

> Applications for such permits shall be made to the commission in writing, verified under oath, and shall contain such information as the commission may require. If it appears from the application or from information otherwise furnished that the applicant is fit and able properly to form the service performed, then a charter carrier permit shall be issued to the applicant by the commission. The commission shall specify in the permit the operations covered thereby, and shall attach to the permit, at the time of issuance and from time to time thereafter, such terms and conditions as are necessary to carry out, with respect to the operations of such carrier, the requirements established by the commission under section 2 (a) (2).

For the latter provision refer to page 4, section 2, subsection (a) (2):

> To supervise and regulate charter carriers by motor vehicle as provided in this act, and to that end the commission may establish reasonable requirements with respect to qualifications and maximum hours of service of employees, safety of operation, and equipment and comfort of passengers.

In short, the school bus that has been referred to, can not be operated as a carrier in interstate commerce for a single trip without obtaining a permit from the Interstate Commerce Commission, and in order to obtain that permit the application must be made upon oath; it must set forth the requirements specified in the bill and shall be isued under such conditions, stipulations, and terms as the Interstate Commerce Commission may prescribe.

That is the clear meaning of the bill as it is drawn.

The CHAIRMAN. The time of the gentleman has expired.

Mr. JOHNSTON of Missouri. Mr. Chairman, may we have the amendment read again?

The amendment was again reported.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. PARKER].

The question was taken; and on a division (demanded by Mr. RANKIN) there were—ayes 69 and noes 5.

So the amendment was agreed to.

Mr. LEA of California. Mr. Chairman, I offer an amendment, which I have sent to the Clerk's desk.

The CHAIRMAN. The gentleman from California [Mr. LEA] offers an amendment, which the Clerk will report.

The Clerk read the amendment, as follows:

> On page 3, line 7, strike out the period and add "over fixed routes or between fixed termini"; and on page 3, line 10, after the word "commerce," strike out the remainder of the paragraph, and in lieu thereof insert "other than those included in paragraphs (8), (10), and (b) of this section."

Mr. LEA of California. Mr. Chairman, the object of this amendment is to carry out what is undoubtedly the purpose of the bill. It is a friendly amendment to perfect the definitions.

The weakness of the definitions is that they try to discriminate between the two classes of carriers, on the basis of whether or not they are common carriers. As a matter of fact, many charter carriers under Supreme Court decisions are common carriers, so that is not the correct basis of discrimination.

Under the bill as it is written in section 6 the commission requires that carriers who hold certificates shall operate on fixed routes or between fixed termini. This amendment simply places that provision in the definition of the first class, and includes in the second class all other operators who are subject to this bill. This bill establishes three classes of operators.

The first is the regular operators, which are called "common carriers." The second class is the charter carriers, and the third class includes those who are excluded from the bill. Manifestly all not in the first or third classes should be in the second class. At the present time, unfortunately, one class of charter operators—that is, those who carry passengers for a specific fare—are excluded from the definition in this bill and are not entitled to operate under its provisions.

This amendment, if adopted, will give everybody an opportunity to be included, either as a regular carrier or as a charter carrier.

Mr. DENISON. Will the gentleman yield?

Mr. LEA of California. I yield.

Mr. DENISON. Is the amendment that the gentleman from California has offered one that was given consideration by the legislative drafting service?

Mr. LEA of California. Yes. I have conferred with a number of the members of the committee in offering the amendment.

Mr. DENISON. It was discussed in the committee?

Mr. LEA of California. Yes; it was discussed.

Mr. PARKER. Mr. Chairman, I accept the amendment offered by the gentleman from California.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California.

The amendment was agreed to.

Mr. GREEN. I would like to have the attention of the chairman of the committee [Mr. PARKER]. In the last Congress the gentleman from New York [Mr. PARKER] introduced H. R. 12380, a bill to regulate interstate commerce by motor vehicles operating as common carriers of persons on the public highways.

I would like to know from the chairman if the bill now under consideration, H. R. 10288, is in substance the same bill.

Mr. PARKER. In answer to the gentleman I wish to state that in principle it is exactly the same, but in detail there are some differences.

Mr. GREEN. In substance the two bills are the same?

Mr. PARKER. Yes. The principle of the bill is exactly the same as the bill to which the gentleman has referred, but the details are somewhat different.

Mr. GREEN. I am glad to know that, because Hon. George T. Estabrook, who is secretary of the Florida legislative board of the Brotherhood of Locomotive Engineers of my State, favored that bill and desired its passage. He petitioned me to support said bill, and I desire to carry out his wish.

Mr. PARKER. I wish to state that the representatives of the Brotherhood of Locomotive Engineers appeared before our committee in favor of the bill.

Mr. GREEN. On yesterday I presented to the House a telegram from the Florida Railroad Commission urging amendment to the bill to provide for a joint board. I am now informed that my colleague [Mr. MAPES] will offer such amendment. I favor this amendment and trust that it will be adopted. The Florida Railroad Commission is elected by the people of the State and represents the people of the State. Its members are Hon. A. S. Wills, Mrs. R. L. Eaton, and Hon. E. S. Mathews, the latter a resident of my own county. This commission, representative of the people of the State of Florida, favor the joint-board provision and I hope it will be adopted.

Mr. MOORE of Virginia. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Virginia offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. MOORE of Virginia: On page 2, line 14, after the word "convenience," strike out the words "and necessity," so that the sentence shall read:

"(5) The term 'certificate' means a certificate of public convenience issued under this act."

Mr. MOORE of Virginia. Mr. Chairman, I am satisfied that some measure of Federal regulation is important and that this bill in some form will be enacted, but it seems to me that as we are undertaking to set up a new system we should proceed very cautiously and endeavor to make as few mistakes as possible, and certainly avoid as far as possible giving the legislation a monopolistic trend.

My amendment proposes that the public convenience shall be the sole determining factor, although, of course, the commission would have the right to take into account every pertinent fact and circumstance.

The highways are built by the public and it is the public welfare and the public interest which should be considered in a plan to regulate the use of the highways. I am unable to perceive why the bill should go any further than to direct the commission to consider the public convenience. I am unable to understand why the bill should go beyond that and direct the public necessity to be considered.

I can imagine many cases in which it would not be necessary to grant the application for the operation of a motor-vehicle line over a highway and yet be altogether in the way of promoting the public convenience. The one point I have in mind, without any hostility to the general purpose of the bill, is to focus the attention of the commission when it comes to act upon the fact that the public highways are public and that the public convenience is the thing that shall be taken as the basis of its conclusions.

I am perfectly aware that this language is picked up out of existing legislation and that you find it in State legislation, but that does not import anything. I am perfectly aware that that language is found in the act to regulate commerce, but gentlemen who seize that language from the act to regulate commerce overlook the difference between transportation by rail, where the railroad companies own the rights of way and all the other facilities for which they have paid, and the case where the public highways are to be used for transportation purposes.

I would like some of the gentlemen who belong to the committee to tell me what is exactly and precisely meant by the term "necessity." I would like them to forecast how that term is going to be construed by the Interstate Commerce Commission. I know this: It does not take any prophet to forecast that in some case where there is a motor-vehicle corporation operating, owned by a strong railroad company, and there is a second application, that the railroad company would base its contest altogether upon the term "necessity."

It would come in and admit that to grant the second application would be in the interest of the public; that it would serve the public convenience, but it would say to the commission, "You are constrained by the language of the act, which calls for a finding of necessity."

The CHAIRMAN. The time of the gentleman from Virginia has expired.

Mr. MOORE of Virginia. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. MOORE of Virginia. "You are constrained by the term 'necessity,' and unless some sort of necessity can be shown, albeit it must be admitted that the public convenience will be served, we deny your right to grant the application of this company which is applying for a certificate."

I once represented railroad companies and had hardly any other clients. Since I have been here I have represented none of them. I have no client to-day except the public and have not had since I came to the House. [Applause.] I have no prejudice against railroad companies. Among the men who are connected in high positions and in low positions with railroad companies I count many of my friends, but I am not willing to vote for a measure that will give railroad companies the opportunity that is afforded by the language to which I have referred and thus work their own will in the administration of the act.

Let me tell you this: To-day, very largely the motor-vehicle lines operating in this country are owned by the railroads, and it is the human nature of the case that they desire, to any extent which may be possible, the privilege of exclusive operation.

Let me show you in what large degree that is the case. I have here the report of the Interstate Commerce Commission issued in 1928. The commission made an analysis of conditions in eight States, and what was the condition with reference to the fact to which I have just alluded. Listen to the language of the report.

A classification of the bus-route mileage of these States in relation to railroad lines indicates that 41 per cent of the mileage is directly competitive with rail lines, i. e., parallels rail lines between the same termini; 28 per cent is indirectly competitive, i. e., where the bus route furnishes transportation service between termini which have only indirect rail connections necessitating change of trains and a

roundabout journey; and 31 per cent of the mileage is wholly noncompetitive, i. e., serves territory not also served by rail lines.

That is the situation now? It is the situation in this regard that is going to become more extensive and more acute, and this bill should not be so framed so as to enable the rail carriers to contend that future motor-vehicle companies shall be prevented from securing permission to operate because of a provision that can be construed so as to deny the right to the second or the third or the fourth applicant.

The CHAIRMAN. The time of the gentleman from Virginia has expired.

Mr. MOORE of Virginia. Mr. Chairman, I ask unanimous consent to proceed for five minutes more.

The CHAIRMAN. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. MOORE of Virginia. This, gentlemen, I think is something you ought seriously to consider. I have the greatest respect for this committee. I know the committee has spent a great deal of time on the bill. It is a subject of enormous concern to the entire country, but why not go slowly? Why undertake to do everything at once? When it is claimed, as we all claim, that we have in mind only the public interest, the public welfare, the public convenience, why not stop at that and make that specifically the ground upon which the commission is dealing with applications for certificates? [Applause.]

Mr. DENISON. Mr. Chairman, I rise in opposition to the amendment.

The facts stated by the gentleman from Virginia suggest, to my mind, a very strong argument in favor of the language in the bill.

There are a great many bus lines in the country started by independent bus companies. Many of them, as the gentleman stated, parallel the railroads.

The gentleman from Virginia stated the proposition on one side. Suppose these busses or bus lines are being operated by independent operators, and the parallel railroad wants to establish a bus line in competition with them—and that is what is probably going to take place—then the argument that the gentleman has just stated so eloquently will be used against the railroad instead of for it.

Mr. MOORE of Virginia. I beg my friend's pardon; if the railroad can show that the public convenience will be helped by the railroad being granted a certificate, it will get the certificate.

Mr. DENISON. The term "public convenience and necessity," gentlemen, has been definitely construed by the courts. It is a term that is well understood. At the time the report of the Interstate Commerce Commission was written 40 States and the District of Columbia required certificates of convenience and necessity for the operation of intrastate busses. Since then some additional States have passed legislation with similar requirements.

Gentlemen, these questions have all been presented to the State legislatures. The States have had these same problems which we are now meeting; and to say that we ought to throw aside this principle now and adopt a new one, in the light of the experience of the different State legislatures, it seems to me would be unwise. They have considered the same problem, and they have said in their laws—and it is provided in the law of the State of the gentleman from Virginia—that before a bus company shall be allowed to operate in the State of Virginia or in any of these other States they must apply to their public utility commission or commerce commission and obtain a certificate of convenience and necessity.

Mr. COX. Will the gentleman yield?

Mr. DENISON. In just a moment.

Now, what does that mean? Should we not be willing to act in the light of the experience that we find in the different States? We are not trying to do anything new here. We are following the States. The gentleman from Virginia said, "Why be in a hurry?"

Why, gentlemen, our committee has been criticized because we have delayed this legislation as long as we have. It has been pending before our committee for several years. The Committee on Interstate and Foreign Commerce acts slowly on matters of this kind and only acts after very careful study, and we have only acted after a great deal of pressure.

The term "certificate of public convenience and necessity" means a certificate which is granted in view of the public convenience and the public necessity. Both terms are necessary, it seems to me, to properly meet the situation.

If there is no public necessity for a bus line being in operation, why should it be? Why, gentlemen, the streets and the highways of this country belong to the people. They are crowded now, and as you approach the great centers of population you can hardly get along with your private cars on the highways. Why should we permit selfish interests to come in and establish any number of bus lines they may want to establish and usurp the highways for a profit to the inconvenience of the people who travel in private conveyances. When they apply for the right to use the highways for profit, why should we not require that they shall show there is a public necessity for it the same as that there is public convenience?

This term has been well understood in this country for years and has already been interpreted by the courts. We know what it means and we ought to follow the precedents established in the States.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. DENISON. Mr. Chairman, I ask unanimous consent for five minutes more in order that I may not be discourteous to the gentlemen who may want to ask questions.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. DENISON. I now yield to the gentleman from Georgia.

Mr. COX. I want to ask the gentleman if this move to strike out this language would not result in defeating one of the primary purposes of the legislation, which is the standardization and the stabilization of the bus business?

Mr. DENISON. The gentleman is exactly right.

Mr. COX. Just one more observation, if the gentleman will permit. The public convenience might be better served by a dozen bus lines operating between two points, whereas public necessity might require but a half dozen; there would be business sufficient to take care of and to maintain one-half dozen lines, whereas public convenience being best served by a dozen, would result in the breakdown of all of them.

Mr. DENISON. Exactly; the gentleman has answered the whole argument in that short statement.

Mr. HUDSON. Will the gentleman yield?

Mr. DENISON. I yield.

Mr. HUDSON. If that can be interpreted in that way, you can relieve the highway of a multitude of busses.

Mr. DENISON. If they are of no public necessity.

Mr. HUDSON. Take, as an illustration, from Detroit to Pontiac is 25 miles, and the Grand Trunk might put on what would be known as the local train, running every hour. Then there could be no necessity for a bus line between those points. There might be a convenience but no necessity for it, so the motorist could be relieved of the congestion that would occur from busses on the line.

Mr. DENISON. I think it would be a serious mistake to leave out the word "necessity."

Mr. OLIVER of Alabama. Will the gentleman yield?

Mr. DENISON. I yield.

Mr. OLIVER of Alabama. The gentleman gives full approval to the views of the gentleman from Georgia [Mr. Cox] in this that the word "necessity" has a more restrictive meaning, and though the gentleman from Georgia, by way of illustration, refers to six or five companies serving two termini, it might be carried to the logical conclusion of restricting it to one, might it not?

Mr. DENISON. Depending on the circumstances.

Mr. OLIVER of Alabama. But the word "necessity" puts a more restrictive meaning on the phrase, and vests a broader discretion in the commission.

Mr. DENISON. It does. Now take the case of any particular public highway and if there is an efficient bus line over that highway and there is no public necessity—that does not mean private necessity—the certificate ought not to be granted.

Let us take the illustration mentioned by the gentleman from Virginia. Here is a bus line operating, for instance, between Richmond, Va., and Washington. There may be a parallel railroad line and the railroad company may conclude that the bus line is getting its business and it may want to put the bus line out of business. Of course the railroad could go before the commission and claim that their new bus line would be a public convenience. But suppose the commission should say, "That may be true, but there is no public necessity for it"; the public is already amply served, and therefore they would not grant the certificate for the operation of another bus line.

Mr. HUDDLESTON. Will the gentleman yield?

Mr. DENISON. I yield.

Mr. HUDDLESTON. The gentleman said that it might restrict it to one line, but suppose there was no bus line in the territory that was being served and that the territory would be served by the railroad alone. If there was no necessity for the one bus line it could be kept out.

Mr. DENISON. That situation could not arise. The gentleman states an impossible case, I think.

Mr. O'CONNOR of Oklahoma. Will the gentleman yield?

Mr. DENISON. I will now yield to the gentleman.

Mr. O'CONNOR of Oklahoma. We naturally have great respect for the report of the committee. However, I am impressed by the amendment proposed by the gentleman from Virginia [Mr. MOORE]. The gentleman from Illinois has not answered the real point to my satisfaction.

Mr. DENISON. What is the real point?

Mr. O'CONNOR of Oklahoma. It is this: While the requirement of necessity is logical where there is a railroad and some one wants to build another line to compete with it, but in the case of the use of the public highway it should not be a matter of necessity to so use but solely is a public convenience. That is one point. The other is this: Under the convenience provision is it not a part of the public convenience if there is a flock of busses coming down the highway and thereby working a burden and inconvenience to shut them off under convenience provision, and the question of necessity is not involved? I am sure that the gentleman has put his finger on the dangerous thing. Convenience will be lost sight of for the sake of necessity.

Mr. DENISON. The gentleman must not omit the word "public." It is the public convenience and necessity in general.

Mr. COOPER of Ohio. If the gentleman will yield, I would like to ask my colleague if this bill gives to the Federal Government any more power to regulate interstate motor-bus traffic than the State now has to regulate intrastate traffic?

Mr. DENISON. No; the bill does not give the Interstate Commerce Commission one particle more power than the State commissions have over busses in their own States. Gentlemen, the recommendation of the Interstate Commerce Commission is entitled, I think, and our committee thought it was entitled to great weight, and the commission has recommended to Congress that we require this provision—require interstate bus operators to obtain a certificate of public convenience and necessity.

Mr. NELSON of Maine. Mr. Chairman, I thoroughly agree with the purposes which the gentleman from Virginia [Mr. MOORE] seeks to further by this amendment, but I think the amount and variety of the discussion on this motion to strike out these two words illustrates the dangers into which we are running. We are proposing to extend Federal regulation to the interstate motor bus, to determine the principles of regulation, and to set up the standards. These words "public convenience and necessity" constitute the one essential standard of this bill, and we did not select those words haphazard, at random, or carelessly. The gentleman from Virginia is a good deal better lawyer than I am, but he knows that the words "public necessity and convenience" for 20 years have been construed, not by taking one word like "public" or emphasizing the word "convenience" or carrying the word "necessity" perhaps to its ultimate meaning; but the words "public convenience and necessity," as a phrase, as I can best express it, in 46 States and in Federal regulation, have come to mean that which, taking everything into consideration, is in the public welfare and interest.

If we do away with this standard, which is the only fixed, definite standard that we have found available so to employ—the one that has received repeated judicial definition and interpretation for a quarter of a century, the meaning of which is well understood, and attempt to set up a new one, we are losing all the advantages of previous judicial decisions that have been going on in the States and in the Nation. Here is a phrase that has been used by the States for some years with perfect satisfaction. I think the gentleman from Virginia would agree with me that those words are used as a phrase. You can not consider them apart from each other. They are intended to accomplish the very result which the gentleman has stated he wants to accomplish by the proposed change in the definition.

Mr. BURTNESS. Mr. Chairman, will the gentleman yield?

Mr. NELSON of Maine. Yes.

Mr. BURTNESS. Of course, we are now dealing only with the definition as set out in the bill of these words, "certificate of public convenience and necessity." Is it not true that later on in the bill we have provided under what conditions this certificate denominated the certificate of convenience and necessity, but which might be perhaps denominated by almost anything, shall be issued, and will the gentleman permit me to read from section 5, on page 10, language which I believe pertinent?—

SEC. 5. (a) Except as provided in subsection (b), a certificate of public convenience and necessity shall be issued to any applicant therefor, authorizing the whole or any part of the operations covered by the application, if it is found that the public convenience and necessity will be served by the operations authorized.

Mr. MOORE of Virginia. Mr. Chairman, will the gentleman yield?

Mr. NELSON of Maine. Yes.

Mr. MOORE of Virginia. The gentleman has simply reiterated, or that section reiterates, the definition. The commission is precluded from granting the application unless it is able to find that the public convenience and necessity will be served. Let me say to my friend from Maine that the decisions of the courts, so far as my examination extends, do not go beyond holding that the term "necessity" shall not be construed as absolute necessity; but my difficulty is that I do not know what is going to be the measure or degree of necessity required by the commission when it comes to interpret the act.

Mr. NELSON of Maine. Is it not true that in every case and in every law in which those words are used much has to be left to the discretion of the regulatory body; and is not such discretion absolutely essential?

Mr. MOORE of Virginia. And if that be true, why are you not content with public convenience, which leaves everything to the discretion of the commission?

Mr. NELSON of Maine. I answer the gentleman as best I can. We are passing a law—if this proposed act becomes a law—and are turning its administration over to the Interstate Commerce Commission. Somebody applies for a certificate, and the commission turns for guidance to the law. After they have heard the facts they find that if public convenience and necessity so require they may grant a certificate; otherwise, not. We have selected that standard because it seems to be the only available standard, the one that has been used for years in 46 States, the one that has received repeated judicial interpretation.

The CHAIRMAN. The time of the gentleman from Maine has expired.

Mr. PARKER. Mr. Chairman, I ask unanimous consent that all debate upon this section and all amendments thereto close in 10 minutes.

The CHAIRMAN. The gentleman from New York asks unanimous consent that debate upon this section and all amendments thereto close in 10 minutes. Is there objection?

There was no objection.

Mr. McSWAIN. Mr. Chairman, it is true, as said by the preceding speakers, that this language "convenience and necessity" are in the existing transportation act, and it is true, as said by the gentleman from Maine [Mr. NELSON] that their meaning is well understood. That is all too true with us, and under that well-understood meaning I want to show you to what length and extremity of power the Interstate Commerce Commission has gone. The Piedmont & Northern Railway Co. proposed to establish an electrified railroad system through the Southeastern States, centering in North Carolina and South Carolina. They started building around Charlotte, N. C., as one center, and sending their branch lines out as feeders. At the same time they started building from Greenville, S. C., as another center, and sending their branch lines to Greenwood, Anderson, and Spartanburg, S. C., and then when they got ready, having established these concentration points, as it were, to connect up the end at Spartanburg, S. C., with the end at Gastonia, N. C., a distance of less than 60 miles, they were told that they would have to go before the Interstate Commerce Commission and obtain a certificate of convenience and necessity. When they applied for that, 11 steam railroads—I think it was—every steam railroad operating in the South Atlantic region was there to fight this little electrified railroad, and they insisted that it was not in the interest of public necessity, because it would virtually parallel the Southern system between Charlotte, N. C., and Greenville, S. C.

And after having the thing threshed out for months and months, with testimony taken by the volume, the Interstate Commerce Commission comes out and in substance says, "No; it is not a public necessity. The Southern Railroad can haul every ounce of freight that is necessary between Spartanburg and Gastonia. And although the Piedmont & Northern people have money to build a new line, and have money to back it, and are willing to make the business venture and take the risk, we, the commission, will not let you play that sort of game."

Mr. MOORE of Virginia. Mr. Chairman, will the gentleman yield?

Mr. McSWAIN. Yes.

Mr. MOORE of Virginia. Mr. Chairman, it would be a public convenience, but not a public necessity?

Mr. McSWAIN. Yes; and everybody was for it except those steam-railroad people who were fighting it. It is in the interest of public convenience, and although we applied to the court to enjoin the Interstate Commerce Commission from putting this

order into effect, the court denied it, and we put it up just last week to the Supreme Court of the United States, and the Supreme Court denied us a writ of error. And now we are going down there with pick and shovel and begin to dig, and they have got to file an injunction, and we will fight it out along that line for a few more years.

Now, why put that power into the hands of this commission? Why put into the hands of the Interstate Commerce Commission the power to interfere with a little bus line that operates across State lines and has not money enough to employ lawyers to fight for its rights?

Mr. O'CONNOR of Oklahoma. Mr. Chairman, will the gentleman yield?

Mr. McSWAIN. Yes.

Mr. O'CONNOR of Oklahoma. Is not that the danger of putting the language in? The commission uses the word "necessity" so largely that they can not see the significance of "convenience."

Mr. McSWAIN. Yes. The trouble is this: We are afraid that the word "necessity" will be so construed.

Mr. HOCH. Mr. Chairman, like the gentleman from Maine [Mr. NELSON], I am in sympathy with the purpose of the gentleman from Virginia [Mr. MOORE]. If I thought that that word "necessity" would be construed in the ordinary meaning of the word I would favor the amendment. But I think this language is in all the State statutes, and I know of no case where it has been held to mean necessity in the ordinary meaning of the word. We are providing for joint boards in the case of two States, and many gentlemen are desirous of extending that to more than two States. You have in the State statutes the words "convenience and necessity" and have been applying them in the States. The meaning of the words "convenience and necessity" has received judicial determination.

Last week in New Jersey the supreme court, so I am informed, held in substance that the word "necessity" must be construed in the light of and held against a railroad that had contested a bus certificate on that ground that the railroad was rendering adequate service. The court that the bus line was a different type of transportation and that had to be considered. Suppose you set up a joint board between New Jersey and Pennsylvania. They have been applying these words "convenience and necessity" in one way, and you introduce a new phrase to be applied to the interstate commerce between two States, would that not lead to confusion?

Let me give you some decisions rendered in construing these terms. In the case of the Rock Island & Pacific Railroad Co., against Oklahoma, in 1926, it was held that in granting a certificate the commission must be convinced that the proposed service will accommodate the public and that a reasonable public demand exists. The court held—

> Necessity does not mean essential or absolutely indispensable, but that the resulting condition where the proposed service is asked would be such an improvement in the existing mode of transportation as to justify the expense of making the improvement.

In 1917 the New York Commission held that public convenience and necessity exists when the proposed facility will meet a reasonable want of the public and supply a need if the existing facilities, while in some sense sufficient, do not adequately supply that need.

Personally I have always felt that the word "necessity" was an unhappy word to use. I regret that it has been used. It sounds illogical to say that the public necessity requires it. If it is an absolute necessity, of course, it requires it.

But here is a phrase that has long been in the law, not only with respect to railroads but in motor transportation. If this language had not been used heretofore, it would be different. But here is the language used, and I know of no railroad that has been able to prevent competition by invoking the words "certificate of convenience and necessity."

Mr. McSWAIN. If we strike out the word "necessity" and use the words "public convenience," and if the court desires to find out what was meant, it will read this debate here and there they will find it.

Mr. HOCH. I am not so sanguine about the court reading this debate. The word "convenience" alone would lead to argument in the interpretation. It might be held to mean just what the old phrase means or it might be held to suggest merely the desirability, from the standpoint of a very few people, to have additional operations.

The CHAIRMAN. The gentleman's time has expired. All time has expired on the amendment. The question is on agreeing to the amendment offered by the gentleman from Virginia [Mr. MOORE].

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. MOORE of Virginia. Mr. Chairman, I ask for a division.

The CHAIRMAN. A division is demanded.

The committee divided; and there were—ayes 51, noes 76.

So the amendment was rejected.

Mr. WINGO. Mr. Chairman, would it be in order to offer a perfecting amendment?

The CHAIRMAN. Certainly.

Mr. WINGO. I would like to offer a perfecting amendment, which I will send to the Clerk's desk. I will not debate it.

The CHAIRMAN. The gentleman from Arkansas [Mr. WINGO] offers an amendment, which the Clerk will report.

The Clerk read as follows:

> Amendment offered by Mr. WINGO: Page 2, line 14, before the word "convenience," insert the word "welfare."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Arkansas.

The question was taken; and on a division (demanded by Mr. WINGO) there were—ayes 28, noes 78.

So the amendment was rejected.

Mr. HUDDLESTON. Mr. Chairman, I offer an amendment, which I have sent to the Clerk's desk.

The CHAIRMAN. The gentleman from Alabama [Mr. HUDDLESTON] offers an amendment, which the Clerk will report.

The Clerk read as follows:

> Amendment offered by Mr. HUDDLESTON: Page 1, line 4, strike out section 1 and insert in lieu thereof the following:
>
> "That no carrier shall operate or use a motor vehicle for the transportation of passengers as a common carrier for hire in interstate or foreign commerce within the United States, unless there is in force with respect to such vehicle a surety bond conforming to the requirements of this act. The surety bond—
>
> "(1) Shall bind the surety thereunder to compensate any person (other than such carrier or an officer or employee thereof) for personal injury, death, damage to and loss of property, and failure to perform in whole or in part any contract of carriage—if and to the extent that such carrier is liable therefor by law, and if the injury, death, damage, loss, or failure occurs in connection with or as a result of such operation or use.
>
> "(2) Shall be in such amount and with such sureties as the Interstate Commerce Commission deems adequate for the protection of the public interest.
>
> "(3) Shall include such terms and conditions, not in conflict with any other provision of this act, as the commission may prescribe as necessary for the protection of the public interest.
>
> "(4) Shall not require the payment of compensation under the bond of more than $5,000 in the case of immediate death, or of more than $7,500 in the case of injury or of death other than immediate death.
>
> "(5) May limit the amount of compensation under the bond for damage to or loss of baggage by any one person to a value of the baggage declared in writing by the passenger or agreed upon by the carrier and passenger, if the carrier establishes and maintains differentials in its rates based upon such value and approved by the commission as just and reasonable.
>
> "(6) Shall include a provision appointing the carrier as the attorney of the surety under such bond upon whom process may be served in any suit instituted as provided in section 3, and a provision whereby the surety consent that in any such suit service upon the carrier shall constitute service upon the surety.
>
> "SEC. 2. No surety bond required by this act shall be held in force for the purposes of this act until approved by the Interstate Commerce Commission as being in conformity with the requirements of section 1. Upon the approval of any such bond, the commission shall issue a certificate of approval to the carrier and such copies thereof as may be necessary. No motor vehicle shall be operated or used by any carrier for the transportation of passengers for hire as a common carrier in interstate or foreign commerce within the United States unless there is posted in such vehicle, in accordance with such regulations as the commission may prescribe, a copy of the certificate of approval of the commission. If at any time the commission finds that a surety bond then in force is not in such amount or with such sureties as the commission deems adequate for the protection of the public interest, or otherwise fails to conform to the requirements of section 1, the commission shall declare that the surety bond is no longer in force for the purposes of this act.
>
> "SEC. 3. Any person entitled to compensation under a surety bond required by this act may recover thereon in any court of competent jurisdiction in a suit against the surety in which the carrier shall be joined as a party defendant; except that no district court of the United States whose territorial jurisdiction lies within any State shall have jurisdiction of any such suit solely upon the ground that the right of recovery arises under a law of the United States or that the suit is between citizens of different States. Recovery upon any such bond shall not be held to preclude recovery against the carrier for liability in excess of the amount of the recovery upon the bond. This act shall not be held to extinguish any remedy or right of action under other law.

"SEC. 4. Any carrier operating or using a motor vehicle in violation of the provisions of this act shall be subject to a civil penalty of $100, to be collected in a civil suit brought in the name of the United States. In the case of each motor vehicle so operated or used, each day or part thereof during which such operation or use continues shall, for the purposes of this section, be deemed a separate violation.

"SEC. 5. As used in this act—

"(a) The term 'interstate or foreign commerce' means commerce between any place in a State, Territory, or the District of Columbia, and any place outside thereof; or between points within the same State or Territory or within the District of Columbia but through any place outside thereof.

"(b) The term 'motor vehicle' means any land vehicle propelled by an internal-combustion engine, electricity, or steam, except a vehicle propelled only upon a rail or rails, and includes any vehicle attached or propelled by any such vehicle.

"(c) The term 'United States,' when used in a geographical sense, means the several States and Territories and the District of Columbia, but does not include possessions of the United States.

"SEC. 6. The Interstate Commerce Commission is authorized to make such regulations as may be necessary to execute its functions under this act."

Mr. PARKER. Mr. Chairman, I think all debate on this section has been closed.

Mr. HUDDLESTON. Mr. Chairman, as I understand, debate was closed simply on the amendment offered by the gentleman from Virginia [Mr. MOORE].

Mr. PARKER. Mr. Chairman, debate on the section and all amendments thereto was closed.

The CHAIRMAN. The debate on the section and all amendments thereto has been closed. There is no debate on the merits of the amendment submitted.

Mr. HUDDLESTON. Mr. Chairman, I ask unanimous consent to address the House for five minutes on this amendment.

The CHAIRMAN. The gentleman from Alabama [Mr. HUDDLESTON] asks unanimous consent to address the House for five minutes on the amendment. Is there objection?

There was no objection.

Mr. HUDDLESTON. Mr. Chairman, the amendment which I have offered is a reproduction of the bill H. R. 7630. It is what is known in the Committee on Interstate and Foreign Commerce as the "subcommittee bill." I did not draft it, but I was on the subcommittee and made my contribution to it.

Some two years ago this legislation being before the committee was referred to a subcommittee. The subcommittee gave the subject very careful consideration and reported the bill which is embodied in the amendment offered as a substitute for this bill. The committee paid no attention whatever to the report of the subcommittee, took no action upon it, and has given it no consideration. The subcommittee bill was drawn with an eye single to the public welfare; it granted no special privileges, so, of course, nobody wanted it and we could not get it heard.

Attention has been called to the fact that the States have every power to correct and deal with all abuses in the bus carrier industry, with the possible exception of requiring insurance or indemnity bonds from the bus operators. This amendment gives the Interstate Commerce Commission that power. Under it the operators are required to provide all reasonable indemnity.

With the power already in the States, and with this amendment, every abuse whatsoever pointed out by the Interstate Commerce Commission in its report or testified to before our committee by even partisan witnesses will be taken care of in the fullest detail. It does not provide for a certificate of convenience and necessity. The amendment does not require that parties desiring to operate busses shall get certificates nor does it require them to get permits. It leaves competition in the bus business, and that as the subcommittee agreed was the right thing to do.

I offer this amendment as a matter of duty. I am willing to legislate upon the subject of busses. I am willing to go as far as necessary for the protection of the public welfare. I will not go, at the behest of anybody, to the extent of granting a monopoly upon the public highway to private profit makers. If you want to protect the public interest, adopt this amendment. If you want to give monopolies and throttle competition, then vote against it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Alabama [Mr. HUDDLESTON].

The amendment was rejected.

The Clerk read as follows:

GENERAL DUTIES AND POWERS OF THE COMMISSION

SEC. 2. (a) It shall be the duty of the commission—

(1) To supervise and regulate common carriers by motor vehicle as provided in this act, and to that end the commission may establish reasonable requirements with respect to continuous and adequate service at just and reasonable rates, a uniform system of accounts and reports, qualifications and maximum hours of service of employees, safety of operation and equipment, comfort of passengers, and pick-up and delivery points whether on regular routes or within defined localities or districts;

(2) To supervise and regulate charter carriers by motor vehicle as provided in this act, and to that end the commission may establish reasonable requirements with respect to qualifications and maximum hours of service of employees, safety of operation and equipment, and comfort of passengers; and

(3) To prescribe rules and regulations for the proper administration of this act.

(b) Any person, corporation, or State board may make complaint in writing to the commission alleging a failure by any motor carrier to comply with the requirements established under this section. If, after any such complaint, it is decided, in accordance with the procedure provided in section 3, that the motor carrier has failed to comply with such requirements, an appropriate order shall be issued.

Mr. ARENTZ. Mr. Chairman, I move to strike out the last word. Mr. Chairman and members of the committee, one of the most outstanding chairmen of public-service commissions in the United States is John F. Shaughnessy, chairman of the Public Service Commission of Nevada. He has added much to the sum of knowledge on transportation as it affects western freight rates. I understand Mr. Shaughnessy was in favor of the bill last year. I understand he has expressed his acceptance of H. R. 7954. However, H. R. 7954 is not identical with the present bill, H. R. 10288, in several very important paragraphs. I have taken the floor particularly to insert in the RECORD four short pages which Mr. Shaughnessy has written me in protest against H. R. 10288, those pages being as follows:

PUBLIC SERVICE COMMISSION OF NEVADA,
Carson City, March 7, 1930.

Hon. SAMUEL S. ARENTZ,
Congressman at large from Nevada, Washington, D. C.

DEAR CONGRESSMAN ARENTZ: Set forth below is confirmation of our telegram of March 4:

"To our Senators and Representative in Congress:

"At a regular meeting of the commission, held in Reno, March 3, it was resolved that our Senators and Representative in Congress, the Hon. KEY PITTMAN, TASKER L. ODDIE, and SAMUEL S. ARENTZ be memorialized to oppose the Parker bus bill, H. R. 10202, and the Couzens bill, S. 6, on the ground that they are a dangerous invasion of State sovereignty and that Congress should not invade the police power of Nevada.

"(Signed) PUBLIC SERVICE COMMISSION OF NEVADA."

This action was taken at a regular meeting of the commission in Reno, March 3, wherein it was unanimously resolved that our Senators and Representative in Congress be memorialized to oppose both the Parker bill and the Couzens bill, H. R. 10202 and S. 6. This is a reversal of the indorsement which this commission gave to the Barker bill, H. R. 15621, on February 5, 1929, during the previous session of Congress.

Set forth below is telegram from Hon. SAMUEL S. ARENTZ of March 6, asking for a statement of particulars covering this commission's objections and our response thereto:

WASHINGTON, D. C., *March 6, 1930.*

To Public Service Commission of Nevada:

Bus bill will be debated for the next few days, and I would like to know in what particular it meets with your objection."

(Signed) SAMUEL S. ARENTZ.

CARSON CITY, NEV., *March 6, 1930.*

Hon. SAMUEL S. ARENTZ,
Congressman at Large from Nevada, Washington, D. C.:

Your wire 6th, Nevada commission opposed to the interstate regulation of busses for the following reasons:

1. By exercise of State's police power over the franchising of busses and regulation of intrastate rates and services we have adequate control of stage lines conveniently at hand. The intrastate franchising is important in controlling the number that can profitably remain in the interstate service and is sufficient regulation. Under the Shreveport doctrine if interstate regulation is provided for, interstate rates will thereafter become the measure of our intrastate rates and probably be state-wide in application.

2. Interstate stage rates not important at present nor for the future, because rapid improvements in the art holding fares around 2 and 2½ cents per mile, compared with 3.6 cents railroad coach fare. We do not want this condition disturbed by monopolistic control that would follow under interstate regulation.

3. Occupancy of the field of regulation over stage, power, and telephone lines by Congress can not adequately safeguard State jurisdiction under the sweep of the commerce clause and adjudicated cases.

In other words, the jurisdiction of our State legislature, courts, and commission would be destroyed and ultimate power and jurisdiction would thereafter reside in Washington, far removed from patrons of these local services in Nevada, with consequent delay and expense.

PUBLIC SERVICE COMMISSION OF NEVADA.

The principle involved in these bills is identically the same. The only difference being a question of degree, perhaps. We are apprehensive about this legislation for the reason that if Congress shall occupy the field nothing can in the end forestall the sweep of the commerce clause and adjudicated cases, and this will be especially true, we believe, under the Shreveport doctrine. See Houston E. & W. Railway *v.* United States (234 U. S. 342); and again in American Express Co. *v.* Caldwell (244 U. S. 617); and again in C. B. & Q. Railroad *v.* Wisconsin Railroad Co. (257 U. S. 563). In these cases it was found, without regard to the reasonableness of the intrastate rates and without regard to peculiar local conditions, that because intrastate rates were lower than interstate rates they amounted to discrimination and therefore a burden on interstate commerce.

The Shreveport case was decided under section 3 of the act to regulate commerce. Since that time the interstate commerce act, as defined by the transportation act of 1920, has been enlarged by the insertion of section 13, paragraphs 3 and 4. Paragraph 4 is a restatement of the Shreveport doctrine (257 U. S. 563), while paragraph 3 provides that "State regulating bodies" may be called in to act in a cooperative capacity with the Interstate Commerce Commission—that is, if they have the organization, the time, and the appropriation, which very few have—to hear rate cases, to thereafter sit in arguments, and thereafter participate in executive conferences for the final disposition of such cases. The States have found in the railroad cooperative cases, although shown every courtesy by the Interstate Commerce Commission, that the plan is cumbersome at best and entirely too slow and expensive in giving relief to the people. It has frozen the entire rate structure and made intrastate rates dependent on the level of rates fixed for interstate business.

Our experience in the matter of cooperation in the railroad-rate cases clearly indicates how burdensome and difficult these cases become, and the State commissions will, we believe, be unable to devote the time and attention necessary for such hearings, arguments, and executive conferences, as may be necessary, if the field of interstate regulation is broadened as proposed in the Parker and Couzens bills. For these reasons it is our view that we are getting too far afield and that we should get back to first principles, viz, retain regulation of rates and services close to the people, where the utility is rendering the service, and without being required to incur the expense of appeals to some tribunal sitting at Washington.

The Supreme Court has laid down the rule that while a State commission may not regulate interstate power, natural gas, and water at its source it can nevertheless regulate it at the points of delivery. (Pennsylvania Gas Co. *v.* Public Service Commission (1920), 252 U. S. 23; Public Utilities Commission *v.* Attleboro Steam & Electric Co. (1927), 273 U. S. 83.) Moreover, it has laid down the rule that while the States may not interfere with interstate stage operations, they can apply adequate road taxes, promote safety upon the highways and conservation in their use, require indemity bonds, grant or deny right to operate intrastate, and provide for regulation of local rates and services. (Motor Vehicle Cases, 267 U. S. 307; 267 U. S. 317; 235 U. S. 610, 622; 242 U. S. 160, 167; 266 U. S. 570, 576; 271 U. S. 583.)

As these and other decisions of the United States Supreme Court carry adjudicated principles, under which the State commissions can effectively regulate stage, power, and telephone lines, this is seemingly all that is necessary for the time being, and this is especially true in so far as no new or remedial regulatory steps are taken in the proposed bills, and in so far as they amount only to a duplication of regulation—plus centralization at Washington—which, as before noted, will slow up the machinery, seriously interfering with intrastate rate adjustments, and prove burdensome in cost to the patrons of these utilities.

With best wishes, we are very truly yours,

PUBLIC SERVICE COMMISSION OF NEVADA,
J. F. SHAUGHNESSY, *Chairman.*

His disagreement with the Interstate Commerce Committee is directed particularly to what is called the Shreveport doctrine. It is my understanding that if section 14 of the old bill is adopted and placed in this bill it will meet his objections to this bill as far as his objection to the Shreveport doctrine is concerned. This is one of the most important bills before Congress during my membership. We should study it most carefully and debate it fully.

Mr. MOORE of Virginia. Will the gentleman allow me to interrupt him?

Mr. ARENTZ. Yes.

Mr. MOORE of Virginia. What I understand the gentleman to mean is that this official in his State desires to protect the absolute authority of the State over intrastate movement.

Mr. ARENTZ. He does not want any question raised as to the authority of a State over intrastate transportation.

Mr. MOORE of Virginia. He does not want to run the risk of some such decision as was had with respect to intrastate railroad transportation in the Minnesota cases and the Shreveport cases.

Mr. ARENTZ. In some well-known cases which were decided, I think, adverse to the common interest, and as Mr. Shaughnessy is so well known all over the United States for his far-sighted knowledge of railroad matters in every particular, I think I can safely follow him.

Mr. PARKER. Will the gentleman yield?

Mr. ARENTZ. Yes.

Mr. PARKER. I wish to state to the gentleman that when the proper time comes I am going to offer an amendment covering practically what the gentleman has in mind.

Mr. ARENTZ. I am very glad to hear that. I am very glad the chairman of the committee has taken that viewpoint. In this House we seldom hear an expression given by a chairman which is contrary to the public good. I am glad the gentleman in this case—which I think is true in all cases—wants to be fair.

Now, another thing, and a very important thing in my estimation, and that is the point brought out, I think, by the gentleman from Kansas and also by the gentleman from Illinois and the gentleman from Maine, to the effect that a board of two State commissioners—because, after all, that is what it will amount to; namely, that the joint board will consist of members of public service commissions—will be appointed to act in the place of the Interstate Commerce Commission in cases affecting two States.

The CHAIRMAN. The time of the gentleman from Nevada has expired.

Mr. ARENTZ. Mr. Chairman, I ask unanimous consent to proceed for two additional minutes.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. ARENTZ. I think that should be broadened to cover at least three States, and I think the Interstate Commerce Commission should have the authority in this bill to delegate to any number of States, reaching from Florida, for instance, to Maine, the right to get together and discuss matters connected with the operation of interstate bus lines running all along the Atlantic States.

Mr. NELSON of Maine. Will the gentleman yield?

Mr. ARENTZ. Yes.

Mr. NELSON of Maine. Was Mr. Shaughnessy's suggestion that there be a declaration in this law to the effect that we do not intend to interfere with intrastate operation?

Mr. ARENTZ. Yes. Section 14, I think, would cover that, although I do not say he would be entirely satisfied with it.

Mr. NELSON of Maine. Does the gentleman think that such a declaration on our part would change the law with respect to the relative rights of the States and the Federal Government?

Mr. ARENTZ. I want to absolutely safeguard the States, and therefore I think it would be worth while to have such a declaration in the bill. There is another declaration in this bill which a few years ago would have been called revolutionary by nearly every Member of this House, and that is the declaration that there shall not be any value attaching to the license which may be given by the Interstate Commerce Commission to operate motor busses between States, and that any value which such license might have shall not be considered in rate making. If we had done that with regard to the Water Power Commission and if we had done that with regard to the original Interstate Commerce Commission act, we would have saved to the public millions and millions, if not hundreds of millions of dollars, in rail rates every year.

Mr. NELSON of Maine. I want to say in regard to the suggestion made by Mr. Shaughnessy that that was very carefully considered in the committee. We felt we certainly could not change the basic law of the land or the rights of the Federal and State Governments simply by stating in the bill that we are not going to violate any law. I do not think such a declaration would add anything.

Mr. ARENTZ. If a decision is rendered by a Federal court to the effect that an interstate rate shall be so and so, then I say we must specifically provide in this bill that such rates will not interfere with the intrastate rates or the police power of the States.

The CHAIRMAN. The time of the gentleman from Nevada has again expired.

Mr. PATTERSON. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Alabama offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. PATTERSON: Page 4, line 9, after the word "rates," strike out the comma, insert a semicolon and the words "but no permit shall be denied by reason of a lower rate proposed by other lines so long as they measure up to all of the requirements."

Mr. BURTNESS. Mr. Chairman, I make the point of order against the amendment that it is not germane to the section involved.

Mr. PATTERSON. Will the gentleman withhold his point of order a moment?

Mr. BURTNESS. I will be pleased to reserve it.

Mr. PATTERSON. Mr. Chairman, in offering this amendment to the section I have only in mind the public interest. I do not wish to delay or detain the committee in proceeding with the bill, and I will show this by the length of time I occupy.

I shall only take a moment or so to state the purpose of the amendment and I shall not attempt to argue the case, and I hope the gentleman will let the amendment be voted on or that the Chairman will hold the amendment in order.

As I understand, we are trying to protect the public in this bill, and in view of the fact that we failed to strike out the word "necessity" under the amendment offered by the gentleman from Virginia [Mr. MOORE], I am very anxious, in the interest of the public, to see this amendment adopted in order that when any bus line or any competing line proposes to operate between two places, it will not be put out of operation or refused a permit for no other reason than that they might offer a lower rate to the people who wish to go to and from such places, because we know that rates are already high enough, and I believe that such concerns should not be refused, provided they measure up to all other requirements, such as insurance and safety and convenience of the traveling public.

I hope the gentleman will not make the point of order, or if the point of order is made, that the Chairman will hold it is in order, so that we may vote on the amendment.

Mr. BURTNESS. Mr. Chairman, in view of the request of the gentleman, I withdraw the point of order.

Mr. PARKER. Mr. Chairman, I ask unanimous consent that all debate on this section and all amendments thereto may now close.

The CHAIRMAN. The gentleman from New York asks unanimous consent that all debate on this section and all amendments thereto do now close. Is there objection?

There was no objection.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Alabama [Mr. PATTERSON].

The question was taken; and on a division (demanded by Mr. PATTERSON) there were—ayes 10, noes 53.

So the amendment was rejected.

The Clerk read as follows:

ADMINISTRATION OF THE ACT

SEC. 3. (a) Except in case of a matter required to be referred to a joint board as provided in subdivision (d), any particular matter or class of matters arising under the administration of this act may be heard and decided by the commission, or may, by order of the commission, be referred for hearing to any member or examiner of the commission. Such member or examiner shall hear and decide the matter referred and recommend appropriate order thereon. With respect to such matter the member or examiner shall have all the rights, duties, powers, and jurisdiction conferred by this act upon the commission, except the power to make the final order thereon. Any order recommended by the member or examiner with respect to such matter shall be filed with the commission and shall, upon the expiration of 10 days after filing, become the order of the commission and become effective, unless within such period the order is stayed or postponed by the commission. An application in writing for the review of any such matter may be made to the commission, whereupon it shall be its duty to consider the same and, if sufficient reason appears therefor, grant such review or make such orders or hold or authorize such further hearings or proceedings in the premises as may be necessary or proper to carry out the purposes of this act; or the commission may, on its own motion, review any such matter and take action thereon as if application therefor had been made by an interested party. The commission after review shall decide the matter and make appropriate order thereon.

(b) Hearings by any member or examiner upon any matter referred to him shall be held at such convenient places within the United States as the commission may by rule or order direct.

(c) Whenever there arises under the administration of this act any matter hereinafter required to be referred to a joint board, the commission shall create a joint board to consider and decide such matter, under such rules governing meetings and procedure of joint boards as the commission shall prescribe. Such joint board shall consist of a member from each State in which the motor-carrier operations involved in the matter are or are proposed to be conducted. The member from any such State shall be nominated by the board of such State from its own membership or otherwise; or if there is no board in such State or if the board of such State fails to make a nomination when requested by the commission, then the governor of such State may nominate such member. The commission is authorized to appoint as a member upon the joint board any such nominee approved by it. All decisions and recommendations by joint boards shall be by unanimous vote. If any joint board fails or refuses to act or is unable to agree upon any matter submitted to it, or if both the board and governor of any State fail to nominate a joint board member when requested by the commission, then such matter shall be heard and decided as in the case of any matter not required to be referred to a joint board. Joint boards when administering the provisions of this act shall be agencies of the Federal Government, and members thereof shall receive such allowances for expenses as the commission shall provide.

(d) The commission shall, when operations of common carriers by motor vehicle conducted or proposed to be conducted between two States only are involved, refer to a joint board for hearing and decision and recommendation of appropriate order thereon, any of the following matters arising under the administration of this act with respect to such operations: Applications for the issuance of certificates of public convenience and necessity (except in so far as the action upon such applications is based solely upon answers to questionnaires and information furnished to the commission, as provided in section 5 (b)); the suspension, change, or revocation of such certificates; applications for the approval and authorization of consolidations, mergers, and acquisitions of control; complaints as to violations by common carriers by motor vehicle of the requirements established under section 2 (a) (1); complaints as to rates, fares, and charges of common carriers by motor vehicle; and the approval of surety bonds, policies of insurance, or other securities or agreements for the protection of the public, required on the issuance of a certificate. In acting upon matters so referred, joint boards shall be vested with the same rights, duties, powers, and jurisdiction as are vested hereinbefore in this section in members or examiners of the commission while acting under its orders in the administration of this act. Orders recommended by joint boards shall be filed with the commission, and shall become orders of the commission and become effective and shall be subject to review by the commission, in the same manner as provided in the case of members or examiners under this section.

(e) In so far as may be necessary for the purposes of this act, the commission and the members and examiners thereof and joint boards shall have the same power to administer oaths, and require by subpœna the attendance and testimony of witnesses and the production of books, papers, tariffs, contracts, agreements, and documents, and to take testimony by deposition, relating to any matter under investigation, as amended and supplemented; and any person subpœnaed or testifying in connection with any matter under investigation under this act shall have the same rights, privileges, and immunities and be subject to the same duties, liabilities, and penalties as are provided in the interstate commerce act, as amended and supplemented.

(f) In accordance with rules prescribed by the commission, reasonable notice shall be afforded in connection with any proceeding under this act to all parties of record and to the governor and the board of any State in which the carrier operations involved in the proceeding are or are proposed to be conducted, and opportunity for hearing and for intervention in connection with any such proceeding shall be afforded to all interested parties.

(g) The commission is authorized to confer with and/or to hold joint hearings with any authorities of any State in connection with any matter arising in any proceeding under this act. The commission is also authorized to avail itself of the cooperation, services, records, and facilities of any State, or any officials thereof, in the enforcement of any provision of this act.

(h) Any final order made under this act shall be subject to the same right of relief in court by any party in interest as is now provided in respect to orders of the commission made under the interstate commerce act, as amended.

Mr. MAPES. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Michigan offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. MAPES: Page 7, line 16, after the word "conducted," strike out the words "between two States only are involved" and insert in lieu thereof the words "involve not more than three States."

Mr. MAPES. Mr. Chairman and members of the committee, those of you who have followed the general debate on this bill will understand what this amendment proposes to do and the object of it.

The bill as reported by the committee makes it mandatory for the Interstate Commerce Commission to refer to joint boards,

made up of a representative of the regulatory bodies of the States, questions arising under the operation of this act where two States only are involved.

The amendment proposes to enlarge the scope of that provision so as to require a reference to joint boards where the operations of the motor busses involve not to exceed three States.

The gentleman from Virginia yesterday, or the day before, called attention to the fact that a motor bus operating from Alexandria through the District of Columbia and a few miles into Maryland would have to go before the Interstate Commerce Commission and would not be regulated by the local authorities as this bill now stands. Out in the Middle West, an operator going from Detroit to Chicago would have to come here to Washington before the Interstate Commerce Commission to get his certificate of convenience and necessity, and after he got it, he would come under the jurisdiction and regulation of the commission rather than the local authorities. The same would be true of an operator running from Cleveland to Chicago or from Chicago to St. Paul or Minneapolis.

I submit, Mr. Chairman, there is no good reason why operations of this kind should not be handled by representatives of the local commissions and these joint boards the same as operations between two States.

The principle is the same. We do not attempt by this amendment to change the set-up as far as the procedure provided in the bill is concerned. We simply enlarge the scope of the joint boards so that they may have jurisdiction over cases involving operations within three States instead of confining them to two States only.

Some of us believe they should have broader jurisdiction, and I know there are Members of the House who think so, but we got together on this particular number.

Mr. LEAVITT. Will the gentleman yield?

Mr. MAPES. I yield to the gentleman from Montana.

Mr. LEAVITT. I just want to ask the gentleman why he confines his amendment to three States. I have here a telegram from the commissioners of Montana saying that unless the joint boards have jurisdiction in not less than six States, the measure will not help much with respect to interstate situations.

Mr. MAPES. I have a good deal of sympathy with the thought expressed in the gentleman's telegram, but, as a matter of practical procedure, it seemed to those of us on the committee who signed the additional views attached to the majority report, and who are interested in enlarging the scope of the jurisdiction of the joint boards, that it was better to confine this amendment to three States. If the amendment is adopted we intend to follow it up with another amendment which will authorize the Interstate Commerce Commission, in its discretion, to refer cases to joint boards where more than three States are involved if it sees fit to do so.

Mr. LEAVITT. That would partially take care of the situation in Montana.

Mr. MAPES. I will say that the Interstate Commerce Commission in its report recommend that the operations of motor vehicles be handled by local bodies. We believe that the Interstate Commerce Commission is in sympathy with the purposes of those of us who want to amend the bill in this respect, and if the discretionary power is given to the Interstate Commerce Commission that it will see to it that all cases are referred to the joint board, where it is practicable to do so.

Mr. LEAVITT. I will say to the gentleman that I will support the amendment in view of that statement.

Mr. MAPES. It is easy for anyone to conjure up reasons for the position he takes and to give reasons for opposing anything that he does not want. I anticipate that it is going to be said here that we are creating additional expense and trying to set up something impracticable, something that can not be carried out in its practical operation.

Now, in the first place as to the question of expense there will be no additional expense as far as salaries are concerned, because the members of the State commissions receive salaries from their States and the bill in no place anticipates any additional salary.

As far as expenses are concerned it is agreed that members of the board from Michigan, Ohio, and Illinois can get together in a near-by city with less expense than a man from the Interstate Commerce Commission could go to these States or for less than the operators can come to Washington. There is no great complexity in adding one additional State to this joint board proposition.

In order to make this bill at all operative, in order to make it at all effective, as far as placing the operation of this motor-bus business under the jurisdiction of local authorities is concerned, we ought to give these joint boards a broader scope than the bill now provides. Let me say that the legislation was initiated by the public utilities commissioners of the several States. Every bill, until this one was reported out of the committee, carried unlimited reference to a joint board, and that is the reason why you have the protests here from the State commissions.

I read the other day from a letter from the counsel of the National Association of Public Utility Commissioners, and I will read two sentences from that letter again:

> The 2-State plan will be of very limited value in the West and is simply not workable in the East.

And again—

> The commissioners of both large and small States alike unite in saying that the 2-State plan does not meet their need.

Gentlemen, I hope the House will agree to this amendment.

Mr. PALMER. Will the gentleman yield?

Mr. MAPES. Yes.

Mr. PALMER. I am in hearty accord with the amendment, and I know that the public service commissions of the States are bitterly opposed to this 2-State provision.

Mr. HASTINGS. Mr. Chairman, I want to offer a substitute, which I send to the desk.

The Clerk read as follows:

> Amendment offered by Mr. HASTINGS: Subsection (d), page 7, in line 16, after the word "between," strike out the word "two"; and in the same line, after the word "States," strike out the word "only"; and in line 17 strike out the words "recommendation of"; and in line 21, page 7, after the word "necessity," strike out the following: "(except in so far as the action upon such applications is based solely upon answers to questionnaires and information furnished to the commission, as provided in section 5 (b))"; and on page 8, line 14, after the word "effective," insert "as of date of filing with the commission" and strike out the remainder of subsection (d), as follows: "and shall be subject to review by the commission, in the same manner as provided in the case of members or examiners under this section."

Mr. MAPES. Mr. Chairman, I make a point of order that the amendment is not germane.

The CHAIRMAN. The proposed substitute is of a wider scope than the amendment of the gentleman from Michigan, but it might be offered as a separate and independent amendment, in the judgment of the Chair.

Mr. HASTINGS. If that is the view of the Chair, I ask permission to withdraw my amendment.

The CHAIRMAN. The amendment may be considered as pending until the amendment offered by the gentleman from Michigan is disposed of.

Mr. HOCH. Mr. Chairman, I move to strike out the last word. The observations that I have in mind to make do not go particularly to the amendment offered by the gentleman from Michigan [Mr. MAPES]. Personally, I am not concerned whether this shall be mandatory in the case of two States or three States. I shall vote against the amendment because the committee reached a compromise agreement, and I shall stand by the agreement reached in the committee, but I do want to offer a few observations with reference to the proposal made by the gentleman from Oklahoma [Mr. HASTINGS] in view of the discussion and propaganda we have had on this matter of joint boards. I say, with all due respect to those who advocate the original provisions of the bill, that, in my judgment, a more impractical suggestion has never been made before the committee of which I am a member than that suggestion, and I feel sure that many of those who have advocated it have not visualized what would happen under it. I am not raising any question as to the constitutionality of it. I think we have as much constitutional power to do it for all States as we have to do it for two States. I am talking now simply about the impracticability of the machinery.

What was proposed in the original bill, and which the gentleman from Oklahoma, as I understand it, is going to attempt to restore? It was proposed that in all cases it should be mandatory to create a joint board composed of representatives from the States through which the proposed operation would run. Remember that these are not permanent boards; they are boards called into being in the first instance to pass on the question of the issuance of the certificate.

You would have just as many joint boards as combinations of States are mathematically possible. Let me illustrate that with three or four States. Suppose some one wanted to operate between New York and New Jersey. They would file an application with the commission, and the commission would call into existence a joint board composed of representatives from each of the States of New Jersey and New York. If somebody else wanted to operate between New York, New Jersey, and

Pennsylvania, that first board would be of no value, and you would have to call into being another board with representatives from each of those three States. Each board would have to be constituted as a legal entity, it would have to appoint its officers, its employees, and make an affirmative record for transmission to the Interstate Commerce Commission. If an operator wanted to conduct a business between New York and Pennsylvania, that would be another board, and if some one wanted to go into Maryland, that would be an entirely different board. I am not a mathematician, but I say with reference to five States that you certainly would have at least 25 boards, and this is no theory but a mere statement of the conditions that actually exist to-day. We have operations extending across the country. Here is somebody who wants to operate from New York to San Francisco and he wants to go by way of Nebraska. You would have to call into being for the specific purpose of granting a certificate a joint board made up of a representative from every State through which that operation went. If somebody wanted to have an operation go through my State of Kansas, the first board would not do, and you would have to establish another joint board covering those particular States, and if you had a variation of one State you would have to bring into being an entirely separate board.

Remember this board is not simply for the purpose of granting a certificate, but after you have a joint board created covering 12 or 15 States and they have gone out of business it is not contemplated that they shall be in continuous existence.

The CHAIRMAN. The time of the gentleman from Kansas has expired.

Mr. DENISON. Mr. Chairman, I ask unanimous consent that the gentleman's time be extended 10 minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. HOCH. Here is a board consisting of representatives from a dozen States. That board has granted a certificate and had gone home when somebody makes a complaint with reference to service that the operator is conducting. How are you going to act? You have to call that board into being to pass on the question of whether the operator ought not to put on some more busses. Then somebody raises a question as to rates, and you have to call that board into being in order to pass upon the question of rates. All of the questions of service and rates and operation have to be gone into. Somebody complains, perhaps, that the insurance carried is not enough and you have to call that board back into being. I shall read now from the hearings. One of the ablest men, one of the principal spokesmen for the bill, was Mr. Wakelee, of New Jersey. I asked him the following question, and I want you to note his answer:

> Mr. HOCH. Now, you have shown us a map here with a perfect network of operations all over this country. Would anybody be able to make a guess as to how many joint boards would have to be in existence if they were to pass upon the operations that are now actually in existence? Would you not say that it would run up into many hundreds of combinations of States?
>
> Mr. WAKELEE. Yes.
>
> Mr. HOCH. Many hundreds of them?
>
> Mr. WAKELEE. Yes; probably thousands.
>
> Mr. HOCH. Probably thousands of joint boards will be necessary to pass on those applications, and that relates to interstate operations that are to-day in effect in this country.

Even with the so-called grandfather clause in the bill, where they are to be automatically brought in, it requires a subsequent determination of all of the questions that go to the nature of their operation, the protection of the public, and all of those things, and even with reference to the operations that are now in effect. You would have to have, according to Mr. Wakelee, thousands of boards to pass on them.

Mr. COLTON. Mr. Chairman, will the gentleman yield?

Mr. HOCH. In a minute. As everyone knows, we are supposed to be only in the beginning of this development of interstate bus traffic, and I ask any practical man whether he thinks if it would take thousands of boards to do that now, we ought to make it mandatory that hereafter you shall in every case call into being a joint board to pass on not only the question of certificate but all of the service questions that will arise. I yield to the gentleman from Utah.

Mr. COLTON. If that were left to the discretion of the Interstate Commerce Commission it would not involve the complications that the gentleman mentions?

Mr. HOCH. I will say this to the gentleman, that I have enough faith in the judgment and good sense of the Interstate Commerce Commission to believe that when they came to apply it they would utterly repudiate the recommendations that they made to the committee. They did recommend the original bill which made mandatory joint boards in all cases. In view of that recommendation I am a little hesitant now to make it discretionary.

Mr. BURTNESS. Mr. Chairman, will the gentleman yield?

Mr. HOCH. Yes.

Mr. BURTNESS. The gentleman has referred to various classes of questions and cases that might be referred to the joint board. Would the questions arising from the grandfather clause have to go to the joint board? I trust that the gentleman did not intend to convey the impression that that would be the case.

Mr. HOCH. I believe it is true that on original hearing under the grandfather clause the bill does not establish joint boards. But in subsequent questions raised as to service, and so forth, we would have to have a joint board.

Mr. BURTNESS. But in cases where people filed applications and showed their ability and responsibility, none of those instances would have to go to the joint board, would they?

Mr. HOCH. I think the gentleman is correct. The argument that in those cases it would not be required only illustrates the absurdity of making it mandatory.

Mr. MOORE of Virginia. Mr. Chairman, will the gentleman yield there?

Mr. HOCH. Yes.

Mr. MOORE of Virginia. In reference to matters referred to the joint board, if they should be limited to the issue of certificates, much of the argument the gentleman has made would be ill founded.

Mr. HOCH. If you cut down the things to be done by the joint board, you would lessen the absurdity of making joint boards necessary in all cases. But if the gentleman will stop for a moment to consider all the situations involved in the granting of a certificate he will realize how many cases there would be even for that. The railroad situation is not analogous. With railroads you have only an occasional application for extensions. But here you would have countless applications. Under such circumstances it would be absurd to make it mandatory to have a joint board in all cases.

Mr. MOORE of Virginia. Was it the original intention to prevent the denial of a joint board in any case?

Mr. HOCH. The provision of the bill was a matter of compromise. It was represented to the committee, as I recall it, that the 2-State provision would cover approximately 90 per cent of the interstate operations. I can understand how that may be practicable, and how three might be practicable.

Mr. MOORE of Virginia. Take as an illustration a line operating from a point in Virginia through the District of Columbia and Maryland to Baltimore. Why should there not be a joint board in such a case, or, further north, in the operation of a line from Baltimore, through Maryland, Delaware, and New Jersey to New York? If there is to be any joint board of reference I am in favor of that, exactly as the Interstate Commerce Commission is. In 1928 the commission said the reference to a joint board should be made in every instance. If not, it would be just as logical to stop at two States as at three States, or to have no joint board in any case.

Mr. HOCH. Of course, it is a matter of drawing a line somewhere. But the outstanding cases which were drawn to our attention were the great cities situated near State lines, involving two States, such as New York and Philadelphia and Kansas City and certain other large cities. The committee agreed upon a compromise. There were some who, on other grounds, opposed joint boards in any case. Finally we reached the agreement on two States.

The CHAIRMAN. The time of the gentleman from Kansas has again expired.

Mr. JOHNSON of Indiana. Mr. Chairman, I move to strike out the last two words.

The CHAIRMAN. The gentleman from Indiana is recognized for five minutes.

Mr. JOHNSON of Indiana. Mr. Chairman and members of the committee, I take it from what has been said by the gentleman from Kansas [Mr. HOCH] that he is not particularly opposed to the amendment now pending. His remarks were directed almost entirely against the provision in the original bill, which provided for all matters to be referred to joint boards, regardless of how many States were involved. The amendment now pending provides that matters shall be referred to joint boards where only three States are involved.

I sometimes wonder when we get here to pass legislation whether or not we keep in mind the things we hear frequently, at least about election time and in campaigns. As I recall, one of the things we hear so much about at election times, and especially from members of the party represented across the aisle, is the question of State rights and the contention that we should leave all matters we can with the States. We also hear much

about the centralization of power in boards and commissions of the Government in Washington. By this amendment we are trying to leave the administration of this law to the State boards as much as possible, and I do not see how anyone who is opposed to this centralization of power in Washington can consistently oppose this amendment.

We are trying to leave everything we can in regard to the administration of this bill, with the State boards which are the selections of the States; the same boards that are handling intrastate traffic. Now, we have an opportunity to see whether or not you really want the States to determine these matters; whether we really want State rights, and whether we want these boards that are organized by the States to administer this law.

I personally believe this is a good amendment. I can visualize many cases where only three States would be involved, still the traffic would be purely local. I can visualize cases where probably four or five or more States could be involved, and still the traffic would be purely local; but most certainly that would be the case in regard to three States.

It was stated a moment ago that 90 per cent of the interstate traffic is between two States only. There is no evidence in the committee that I know of upon that point. It was stated by a member of the committee that in his opinion, that was the situation. I do not know. I do not believe we have any evidence that would show what per cent of the interstate traffic is between two States only.

I am in favor of the amendment the gentleman from Michigan [Mr. MAPES] said he was going to introduce, leaving it discretionary with the commission where more than three States are involved, to refer those matters to the joint boards. In other words, if it was not practicable, if it was not feasible, then the commission would handle it through an examiner or a member of the commission, as provided for in the bill. But, in cases where the commission decided it was proper and would be best to have the matter determined by a joint board, the commission could refer such matter to a joint board. But, that is not the amendment we are now considering. We are considering the amendment providing that all matters must be referred to the State boards, where not more than three States are involved. I think the amendment should be adopted.

Mr. LEA of California. Mr. Chairman, I think this amendment should not be adopted. It is a plausible thing to say to the Members of the House that you are going to have this regulation at home. There are substantial reasons, both as a matter of principle and as a matter of practical, sensible handling of this problem, why this amendment should be defeated. We have a tendency in government to bring State duties to the Federal Government. I think a study of our legislation over a period of years will also show we have a disposition to place Federal functions in the States. That is a bad tendency. Our Government, if it is going to operate successfully over a long course of years, must in practical operation adhere to fundamental principles, that should separate State and Federal functions. The regulation of interstate commerce is a Federal job. As I attempted to point out when I spoke day before yesterday, one of the main reasons for the adoption of the Federal Government was to prevent interference with interstate commerce by the individual States. Here it is proposed to extend this power to three States. Three States out in my country will provide for a bus line 1,200 miles long. These bus lines that are established by local State authority, representing the local people, people who have their employees and their capital at home, will be favored by those local State interests; but over the same route we must have lines that cover many States, great bus transportation lines which are going to be established. We will have an unfriendly board placed in these local States through which they must pass, contrary to the fundamental theory on which Congress was given this power.

In this bill we provide for a 2-State joint board. There is some reason for that. There is some precedent for that in the administration of the transportation act. Some years ago we passed a law giving regulatory powers to the Interstate Commerce Commission and exempted street-car lines running from one State to another. A case went to the Supreme Court involving a crossing of the boundary at Council Bluffs, I believe. The Supreme Court said that that particular local business was, in its essential nature, a street-car business and that it was properly within that exemption. There is a reason here for the 2-State exemption; but I believe there is no reason, as a matter of principle, for including three or more States.

I call your attention to what the gentleman from Kansas [Mr. HOCH] said. I thoroughly agree with his description of what was proposed in the original bill. I have never seen anything proposed to the Committee on Interstate and Foreign Commerce that was more absurd than the plan of these joint boards, to be set up in all the States of the country. It is absolutely impracticable. There will be all the difficulties of assembling these boards. For instance, a certificate is applied for, and this board is assembled for that purpose. Men are taken from distant States. You have a hearing to-day and you do not get in all the testimony and you have to come back next week, and the entire board has to be assembled next week. Innumerable boards can be created, because you must have boards for every different combination of States. Every time a complaint is made about a violation of the law or to get a change of line, or to try to get better service one of these boards must be assembled. It has no permanent meeting place or personnel or place for its records. It is absolutely impractical. It ought never to be engrafted on our system of regulation.

In California we have a situation that has practically determined my attitude on this proposition. We have a system by which certain officers can be called from their local functions off to distant parts of the State to take the place of other men and other official bodies in performing their duties.

The CHAIRMAN. The time of the gentleman has expired.

Mr. LEA of California. Mr. Chairman, I ask for five minutes more.

The CHAIRMAN. The gentleman from California asks unanimous consent that he be allowed to proceed for five minutes. Is there objection?

There was no objection.

Mr. LEA of California. Those men are called from home to perform the functions of other officers in other parts of the State, and they are given compensation and expenses for so doing. The result is that we have men all over the State of California who are striving for an opportunity to serve on these special appointments. They want the increased money, and they want the honor and prestige of going to some other part of the State and parading around. In some instances these men go down to some other part of the State and use these appointments to increase salary as well as for personal parade. When they come back home it is with the same pride. All the time there is conniving and seeking to secure appointments. What is the logic of taking a man from a State function, where he has plenty to do and assigning him to other work, constantly making him subject to being sent to different States to take part in such a matter as this?

Mr. McSWAIN. Will the gentleman yield?

Mr. LEA of California. I yield.

Mr. McSWAIN. Did the gentleman ever see one of these little "one horse" examiners of the Interstate Commerce Commission come to his city and strut around?

Mr. LEA of California. You can not eliminate the examiners. That is a part of the regular system of regulation.

So I think the practical thing is to leave this matter as we have it in this bill. It takes care of a large per cent of all of these interstate transactions, where the lines are short in length and where the commerce is great, but it gives the Interstate Commerce Commission the untrammeled right to take care of these great interstate transactions and will prevent this duplication and conflict of methods of regulation that will prevail if you attempt to set up this system of boards proposed by this amendment.

Mr. DENISON. Mr. Chairman, I ask unanimous consent to proceed for 10 minutes.

The CHAIRMAN. The gentleman from Illinois asks unanimous consent to proceed for 10 minutes. Is there objection?

There was no objection.

Mr. DENISON. Mr. Chairman and gentlemen, I think this question is one of the most important connected with this legislation and should be carefully considered by the committee. I hope the amendment will not be adopted, and I wish I had more time to tell my reasons, but I will not have the time in 10 minutes.

This bill, gentlemen, I do not think would have been reported to the House if this amendment had been in it. The bill is a kind of a compromise of views, and as the bill has been reported it had the support of every member of the committee except one, with the understanding, of course, that the minority could offer an amendment presenting their views upon this question, which they always have the right to do.

Mr. MAPES. Does the gentleman think that my amendment would destroy the principle or purpose of the bill in any way?

Mr. DENISON. I think it would, and I am going to state why, if I have the time. I only ask your attention for just a few moments and I hope I will take up no more time in connection with this bill. Before the decision of the Supreme Court in the Buck case the State commissions assumed they had the right to regulate interstate busses as well as intrastate

busses. That assumption was based on certain decisions of the courts which held in other cases that until Congress exercises the power conferred upon it by the Constitution the States may do so. For instance, in the regulation of navigation on navigable waters the Supreme Court has held that while that is within the jurisdiction of the Congress, as a power inferred from the commerce clause of the Constitution, yet until Congress chooses to act upon that question the States may regulate such commerce. Under those decisions the State commissions assumed that the same rule would apply with reference to the regulation of interstate commerce by motor busses. So they went ahead and passed their laws applying to interstate busses.

As soon as a case reached the Supreme Court the Supreme Court held such action invalid, as appears from the decision in the Buck case and the decision in the Bush against Malloy case.

So since then the Supreme Court has repeatedly laid down the rule that State commissions can not regulate interstate motor busses. Just as soon as the Supreme Court declared the law the State commissions began the formulation of a bill which they thought would circumvent the decisions of the Supreme Court, and circumvent the provisions of the Constitution. Our fathers may have made a mistake in inserting that provision in the Constitution, the provision giving the Congress the power to regulate commerce between States, but that is in the Constitution, and I think we ought to observe it in the spirit as well as in the letter. Although we may put phraseology in the bill which will circumvent that provision of the Constitution and stand the test of the courts, I do not think we should do it if it would violate the spirit of the Constitution. That is my doctrine exactly.

We are circumventing it a little in the bill as it is now, for the reasons stated by the gentleman from California [Mr. LEA]. We have provided that we will create a joint board in cases involving matters of transportation between two States, and here is the reason why we did it, to be perfectly frank: There are on or near a great many State borders large population centers, like Philadelphia and Camden, Chicago and East Chicago, Kansas City, Mo., and Kansas City, Kans., St. Louis, Mo., and East St. Louis, Ill., and New York and Jersey City, where interstate busses are merely suburban busses or interurban busses running across the State line, so that questions arising in those cases are purely local; they do not involve any questions of national policy, and the committee has provided a plan here by which we provide for the creation of joint boards to handle those merely local questions, subject to review, of course, by the Interstate Commerce Commission.

Now, strictly speaking and logically, that is not in harmony with the spirit of the Constitution, but the Supreme Court itself has drawn a distinction between local questions and national questions in those matters of interstate commerce. So the committee has provided in the bill this 2-State board machinery for the purpose of considering and determining those purely local questions of interstate bus transactions between cities and their surburbs or surburban cities just across rivers or across State lines. But, gentlemen, it will be a mistake if we extend that principle beyond those local cases. You depart from the principle of this bill when you leave the local cases and extend the joint-board provision to three or four or more States. You are departing from the policy of the bill, and I hope the committee will not do that.

Of course, when our committee amended the Parker bill so as to take out the provision for creating joint boards all over the United States the representative of the Association of State Utility Commissions here in Washington was disappointed. He did not like it because we followed our own judgment and our own views of the Constitution. He wanted us to submissively follow his views. His views were that legislation should carry some kind of phraseology by which we could get around the commerce clause of the Constitution and allow the States to regulate interstate commerce.

He is a splendid gentleman and a very able gentleman, but what did he do? He sent telegrams immediately to the various State commissions in order to put a fire under us here, and in 24 hours telegrams began coming back to the Members of the House from the State commissions telling us what to do. Why, gentlemen, the Members of this House are just as big men as the members of the various State commissions, and we ought not to be swayed from our plain duty by these telegrams, all of which are practically in the same language, coming from State commissions, and all of which were sent to us in response to telegrams from the attorney of the State Commissioners' Association here in Washington, telling them what to do and then your State commissions sent their telegrams to us telling us what to do.

Let us stand up and do our duty here and carry out the spirit as well as the letter of the Constitution. We ought not to try to circumvent the Constitution by authorizing the State commissions to do what the Constitution says Congress should do.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. BURTNESS. Mr. Chairman, I regret I can not agree on this question with my distinguished friend from Illinois [Mr. DENISON], who seems to have worked up so much feeling in his attack upon the amendment proposed by the gentleman from Michigan [Mr. MAPES].

I was rather surprised to hear him make the statement that if the committee, when it worked out and perfected this bill, had written the word "three" instead of the word "two" in this provision, the bill would not have been reported out, in spite of the fact that 20 members out of the 21 members of the committee are supporting the bill as a whole.

I feel he is entirely mistaken and I think I can just as properly say to the members of this Committee of the Whole to-day that if the question of increasing the number from two to three had come up in the proceedings of our Committee on Interstate and Foreign Commerce after other perfecting amendments had been adopted, in my judgment, a majority of the committee would have voted for such an amendment and along the lines now proposed and as covered in our additional views made a part of the committee report on the bill.

Now, what do I mean by that statement? If you will turn to the original Parker bill you will find what I have in mind. When the committee was first considering all these questions, the bill provided that the decisions reached by the joint boards were in fact final decisions and and orders made by it would be final orders. There were a good many members of the committee who doubted the advisability of letting the joint boards make final orders, and this had a good deal to do, in my opinion, with the amendment that was adopted by the committee limiting the provision to two States. Later, as a reference to the reported bill shows, provision was made so that the joint boards should not issue final orders. They can simply reach their decision, they file their recommendation in the form of a proposed order, and this decision or recommendation becomes the order of the commission, if not reviewed or suspended at the expiration of 10 days.

It seems to me by adopting this change in the bill we did away with much of the objection that is raised by the fundamental argument made by the gentleman from Illinois [Mr. DENISON] here to-day, as well as in the argument made by the gentleman from California [Mr. LEA].

The fact is, under the bill as it now stands, any order becomes the commission's order. The men constituting the joint boards really become, so to speak, representatives of the commission for a particular piece of work just the same as the examiner is a representative of the commission. When a member from the State commission of Arizona, California, or any other State sits in a hearing, whether it involves a certificate of public convenience and necessity or some other question, for that particular purpose he is a Federal agent representing the Federal Government just exactly as the judge of your State court, when he passes upon a question of naturalization, is a representative of the Federal Government. When the Congress is willing to leave to the State courts such important questions as those of naturalization matters, making the State courts Federal agencies, surely there ought not to be any objection whatever to Congress trying this experiment of using the local authorities, members of State commissions, who know far more about the situation in their own States and in the neighboring States than any examiner who could be sent into that territory from the Interstate Commerce Commission, could possibly know. I say, let us try out, in an experimental and in a practical way, this proposition and see whether or not it will give us some light for the future and in this way reduce the work that is being continually piled up on the commission.

The CHAIRMAN. The time of the gentleman from North Dakota has expired.

Mr. BURTNESS. Mr. Chairman, I ask unanimous consent to proceed for two minutes more.

The CHAIRMAN. Without objection, the gentleman from North Dakota is recognized for two additional minutes.

There was no objection.

Mr. BURTNESS. Additional work is coming to the commission all the time. This prevents prompt and expeditious action. Let us relieve them at every place we can, and when gentlemen talk about two States covering 90 per cent of the applications that will be involved, that is simply ridiculous. Every one of you here in the East knows that the interstate operations almost universally cover at least 3 or 4 or 5 States, and you can

scarcely pick out a single interstate operation which involves only 2 States. That is the situation in New England, it is the situation between here and New York, and in such cases as those that the gentleman from Virginia [Mr. MOORE] and others have referred to.

Let us not be scared away by the idea that there are going to be such a tremendous number of applications submitted to these boards. The present operators are included under the so-called grandfather clause, which will be administered by the commission as a matter of routine. The applications that will come in, to be referred to these local boards scattered throughout the country, are going to be rather limited in their number. The commission will not have to establish half a dozen boards in every community every day of the month or anything of that sort as the gentleman from Kansas [Mr. HOCH] inferred. Of course, his argument was directed more to the original provisions of the bill as introduced and rejected by the committee rather than to the Mapes amendment.

It seems to me, as it seemed to the State commissions and to other witnesses who appeared on behalf of this legislation, that this plan of procedure is practical, that it is one worthy of being tried out. Let us come somewhere near compromising between the proposal submitted in the original bill and upon which hearings were held and the other extreme view, which is to the effect that the State authorities and the local people should have nothing whatsoever to say about it.

I strongly urge the adoption of the pending amendment to refer operations involving three States to local boards.

The CHAIRMAN. The time of the gentleman from North Dakota has expired.

Mr. RAYBURN. Mr. Chairman, I do not know what the view of the majority would have been if we had put into the bill the recommendation of the Interstate Commerce Commission and the State commissioners; but I can say this for the minority: If the original provision of the bill had been in the bill as it came to a final vote in the committee, it would not have received a single vote from any member of the minority of the committee.

After the statement of the gentleman from Illinois that he did not think it would have been reported—if he can speak for his side, I can speak for this side.

Mr. DENISON. If the gentleman will yield, I was speaking with reference to the two amendments.

Mr. RAYBURN. I am talking about the original provision. If the gentleman from Michigan gets this amendment adopted, he intends to follow it with another amendment providing that the Interstate Commerce Commission can refer any matters to the joint board it desires, and with the State commissions all clamoring for that right, and with the Interstate Commerce Commission wanting to escape the work that they said was the main reason for making the recommendation, we will have the monstrous situation referred to in the able and conclusive argument by the gentleman from Kansas.

Now, this morning, or yesterday, the gentleman from Michigan was asked a question as to the additional cost, and he said that it would be little or none. This bill specifically provides that even with the amendment of the gentleman from Michigan adopted, the one pending, and the one he is going to offer if this is adopted, the Interstate Commerce Commission would refer a case of the application of a carrier from New York City to San Francisco, it matters not where the board met, how long it sat, or how many times they had to leave home, the Federal Treasury would be charged with all of the expenses of these men as long as they were away from home.

Mr. MAPES. Will the gentleman yield?

Mr. RAYBURN. Yes.

Mr. MAPES. Of course, if the question is left to the Interstate Commerce Commission that commission will have to send one of its representatives.

Mr. RAYBURN. Oh, yes; but they only send one.

Mr. MAPES. And he would have to travel very much farther than the members of the joint board.

Mr. RAYBURN. It would not send six representatives nor five representatives, but one. They will be under the control and under the urge of the Interstate Commerce Commission to get through with the job and get home.

Mr. MAPES. If the operations involved three States there would be only one representative from each of the States so that there would only be three members of the board, and they would have to travel only a short distance to some near-by local city.

Mr. RAYBURN. The gentleman knows that if he could get it adopted he would have had it in the original bill. Let me say further to the gentleman and to those who stand with him, he knows that if the original proposition of the Interstate Commerce Commission had been adopted that he has tried to offer now, and then is to offer another amendment, some of us would have had no interest whatever in proceeding with the perfection of the bill. The gentleman from Michigan, after we agreed as to the form of the bill and the provision for two States, the gentleman undertook many times thereafter to bring up and asked us again to consider whether or not we would have more than two States.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. RAYBURN. I ask for five minutes more.

The CHAIRMAN. Without objection it will be so ordered.

Mr. MAPES. I do not want to take the gentleman's time, but he is stating my position. He does not mean to say that I agreed to the 2-State limitation.

Mr. RAYBURN. The committee by a large majority vote put it in, and the gentleman several times raised a point.

Mr. MAPES. And I reserved the right to offer an amendment on the floor.

Mr. RAYBURN. Of course.

Mr. MAPES. Let me say further to the gentleman that I appreciate the difficulties or objections to referring cases to joint boards where as many States are involved as are involved in a transcontinental line. I have no desire, and I do not think it would be practicable for the Interstate Commerce Commission, to refer questions relating to the operation of a transcontinental line to a joint board.

Mr. RAYBURN. But the gentleman gives his whole case away. He is going to offer an amendment, he stated yesterday, giving the Interstate Commerce Commission the right and authority to do that very thing.

Mr. MAPES. If it sees fit.

Mr. RAYBURN. And it would see fit, if it followed the recommendation it made originally, in wanting to refer all of them to the State boards.

Mr. MAPES. The gentleman from Michigan thinks it would be practical to refer operations involving five or six States, and he has confidence in the judgment of the commission that it will administer this law in a practical way.

Mr. RAYBURN. That is not what is indicated by the amendments the gentleman is offering and by the speeches that he makes.

Mr. HOCH. In other words, the gentleman from Michigan has confidence that the commission will reverse the position that it took. [Laughter.]

Mr. MAPES. The gentleman from Michigan has not maintained since the original vote in the committee that it is practical to include all of the States.

Mr. RAYBURN. The gentleman is offering an amendment, though, that gives the Interstate Commerce Commission authority to do it.

Mr. MAPES. But there is a vast difference between referring it to the discretion of the commission and making it mandatory.

Mr. RAYBURN. When the commission has said that it wanted to do it and would do it if it had the authority, and, therefore, the gentleman's argument is that it would not do what it wished to do if you gave it authority to do it. Mr. Chairman, there has been some talk about whether State commissions would indorse this if it did not have this State board monstrosity in it. Mr. McDonald was before the committee and the question was asked of him:

> What would be the attitude of your association if its members were eliminated from the picture—what would be their attitude toward the bill?

Mr. McDonald replied:

> It would be just the same as it is now, Mr. HUDDLESTON. We see a condition coming. It is bound to come, just the same as it did in the railroads. The Interstate Commerce Commission eventually is going to regulate interstate commerce by motor vehicle, I think both persons and commerce, so far as they are handled by motor vehicles, before many years.

That is, for the bill, and they were there advocating this bill.

Somebody asked me yesterday while I had the floor what this thing would cost. I do not know what it would cost, and that is what I answered yesterday. Estimates would have to be made by the Interstate Commerce Commission and brought to the Committee on Appropriations, but I say to the gentlemen who have control of the purse strings that it will be enough if you leave this bill as it is, but if you will open this thing up to three or five or a dozen commissions and State boards to come in here, then it will run into millions and millions of dollars. A representative of the bus people who studied this thing asked the question, and his answer was quoted in the

statement of the gentleman from Kansas [Mr. HOCH]. He said that there would not only be hundreds but thousands of these boards, and you would have to send men from one end of the land to the other, paying their railroad fare and hotel bills, and it would run into millions of dollars. Furthermore, I say here to-day what I said yesterday. I think I violated a principle when I and those who stood with me on the committee agreed to one of these boards composed of representatives from two States. This transportation that we seek to control here is interstate transportation, and it is the duty of Congress and it is the funcion of Congress and nobody else to control that transportation in toto. [Applause.]

Mr. JOHNSTON of Missouri. Mr. Chairman, I move to strike out the last two words. I hope the amendment of the gentleman from Michigan [Mr. MAPES] will prevail, which provides for a board of three representatives. I wonder if the gentleman from Illinois [Mr. DENISON] is familiar with the situation that exists in Kansas, Missouri, and Illinois? A few years ago a bus company was running between Kansas City and the city of St. Louis, both in Missouri. Another one started, and in order to avoid the regulatory laws of the State they sold their tickets from Kansas City, Kans., which is a suburb, you might say, of Kansas City, Mo., and that ticket was to East St. Louis, Ill. Therefore they came under the provisions of interstate commerce. I believe most of our States to-day have public service commissions, and it is a fair presumption to say that a member of that board would be a member of the public service commission. He would serve as its member without any additional salary, because his salary is paid by the State. I believe under the terms of the bill the traveling expenses of these men would be paid by the Federal Government. In the instance that I cite of Illinois, Missouri, and Kansas, of course Missouri would be the proper place to meet. They would have but a short distance to travel, they would have their regular place of meeting. These three men could get together and they are better than two. Suppose there is a difference of opinion between two men. The third man is ready to form a majority of the board.

It has been said here that a board of two would represent, perhaps, 90 per cent of the cases. I think that is far-fetched, and I think the situation of where three are concerned would represent about 30 to 40 per cent of the States. I am heartily in favor of this amendment. I believe it efficient and practical, and I believe if increased it would be harder to get a larger board together.

Mr. NELSON of Missouri. Mr. Chairman, will the gentleman yield?

Mr. JOHNSTON of Missouri. Yes.

Mr. NELSON of Missouri. Reference has been made to Missouri. I might say that a few days ago I wired the Public Service Commission of Missouri asking what their views were on this or similar amendments, and their reply was that unless this or some such amendment was offered they preferred the defeat of the bill.

Mr. JOHNSTON of Missouri. I might state that I have not the same character of telegram, but one advocating a board of three. The complaint that I have has come from the people, going back to how the bus company attempted to avoid State regulation. This is an instance of where a board of three members seems to me to be the most practical and the best working one from the standpoint of economy.

Mr. PARKER. Mr. Chairman, I would like to know how many more gentlemen wish to speak on this amendment?

Mr. MOORE of Virginia. I would like to have about five minutes.

Mr. McSWAIN. I have an amendment pending.

Mr. PARKER. Does the gentleman from Oklahoma [Mr. O'CONNOR] prefer to go on to-night, or is he willing to go on later?

Mr. O'CONNOR of Oklahoma. I am willing to go on later.

Mr. PARKER. Mr. Chairman, I move that the debate on this amendment close in half an hour.

Mr. GARBER. Reserving the right to object, Mr. Chairman, would the gentleman allow five minutes for myself?

Mr. PARKER. Yes.

Mr. RAMSEYER. Mr. Chairman, this is very important legislation. The Members want to discuss it. This is an important part of the bill. I do not think you should stifle debate. Freedom of discussion will expedite the proceedings.

Mr. PARKER. If the gentleman objects I will not find fault with him. I am asking unanimous consent that the debate be limited. If the gentleman will make an objection I shall not find any fault.

Mr. RAMSEYER. The gentleman started to move to limit debate to half an hour.

Mr. PARKER. How much time does the gentleman desire?

Mr. RAMSEYER. I shall want five minutes. I think the gentleman should think about it overnight.

Mr. PALMER. Mr. Chairman, I think this is a very important amendment, and ample time should be allowed.

Mr. PARKER. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and Mr. TILSON, as Speaker pro tempore, having assumed the chair, Mr. LEHLBACH, Chairman of the Committee of the Whole House on the state of the Union, having had under consideration the bill (H. R. 10288) to regulate the transportation of persons in interstate and foreign commerce by motor carrier operating on the public highways, reported that that committee had come to no resolution thereon.

ADJOURNMENT OVER UNTIL MONDAY

Mr. PARKER. Mr. Speaker, I ask unanimous consent that when the House adjourns to-day it adjourn to meet on Monday at 12 o'clock.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

TO ALLOW THE MANUFACTURE OF 2.75 PER CENT BEER

Mr. DYER. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD by including an address which I delivered before the Law Enforcement Commission on the subject of prohibition.

The SPEAKER pro tempore. The gentleman from Missouri asks unanimous consent to extend his remarks in the RECORD by printing an address made by him. Is there objection?

There was no objection.

The address is as follows:

AN ADDRESS BEFORE THE NATIONAL LAW OBSERVANCE AND ENFORCEMENT COMMISSION, WEDNESDAY, MARCH 12, 1930

Gentlemen of the commission, I wish to express my appreciation of your attention to the letter which I addressed to you on January 25 last. Therein I requested that the commission consider what percentage of alcohol in beverages can fairly be considered nonintoxicating; and, secondly, whether or not in the view of the commission an adjustment of the national prohibition act in this regard would be of benefit in the general enforcement of that law against intoxicating liquor as such. Congress, both in the House and Senate, is disinclined to enact any legislation which is not wholeheartedly in support of the eighteenth amendment forbidding intoxicating liquor for beverage purposes. The Congress is, however, none the less compelled to consider any measure which will aid in a fair execution of the constitutional mandate.

There has been much consideration of the propriety and efficacy of the present provision which declares that all beverages containing one-half per cent or more of alcohol shall be deemed to be intoxicating liquor. Many bills have been introduced raising this limitation. The public at large has shown deep interest in the question. I, myself, have introduced a bill proposing a change to 2.75 per cent of alcohol by weight. I lay before this commission a copy of my bill showing the tenor of such proposals. In the House all of these bills have been referred to the Judiciary Committee, which, from the beginning, has had jurisdiction of questions relating to national prohibition.

We are confronted with two primary questions in dealing with this topic. First, as to whether or not a beverage containing 2.75 per cent of alcohol is in fact nonintoxicating, and, secondly, would a change of the law in this regard aid in the enforcement of the actual prohibition of the Constitution against intoxicating liquor? The first question is plainly a question of fact and the second question is plainly a matter of policy. I am here this afternoon to urge that your commission make investigation and furnish us a report on the first question of fact as to whether or not a beverage containing 2.75 per cent of alcohol would in fact be nonintoxicating. Secondly, would such a change tend to aid in enforcing the real prohibition of the eighteenth amendment against admittedly intoxicating liquor?

With respect to the alcoholic content which may be deemed to be intoxicating for purposes of legislative enactment, I am myself inclined to the opinion, both as a lawyer and as a Member of Congress, that the Supreme Court of the United States has properly held that appropriate legislation by Congress for the enforcement of the eighteenth amendment necessitates some declaration by Congress as to what the measure of alcohol in a beverage shall be considered as making such beverage intoxicating. The Supreme Court entertained this view in sustaining the proposition that when Congress declared that one-half per cent or more of alcohol should be deemed intoxicating, the question of fact as to what was actually intoxicating could not be investigated, but that the statutory declaration fixed the character of the beverage for the purpose of application of the national prohibition act. It would, of course, be difficult to secure any uniformity of action in the trial of cases of alleged violation of the prohibitory law if the question of whether or not the particular article

in dispute was or was not intoxicating in fact could go to issue on that fact. Therefore, to all practical purposes, the law must be depended on to fix the measure, and thereafter ordinary analysis proves the fact to which this statutory measure is to be applied.

I, myself, am convinced, as I have already indicated, that it is the duty of Congress in making such a statutory declaration to place the limit as high as safely may be adopted in order that the statute in declaring what is intoxicating liquor by mere fiat of law shall avoid making the field of the statutory prohibition wider than the constitutional prohibition, which is only against intoxicating liquor.

Nothing should be excluded by the statute which is not in fact intoxicating when used as a beverage. There seems to be a substantially universal assent to the proposition that one-half of 1 per cent alcohol is far below the intoxicating ratio of alcohol to the beverage menstruum in which the alcohol is present. Physiologists appear to agree that alcohol is intoxicating in fact only when the ratio of the alcohol to the other liquid and solids in the beverage attains such a point that the alcohol acts sufficiently promptly and cumulatively to give a toxic result.

In the case of Joseph E. Everhard against James Everard's Breweries, an equity proceeding involving the question of whether or not beer containing 2.75 per cent of alcohol was in fact intoxicating, Government attorneys then discussing the question substantially conceded that a beer with this alcoholic content was not in itself intoxicating, relying on the proposition of law that the congressional enactment foreclosed any discussion of the actual facts, and that the statute was valid as a congressional declaration of what was to be deemed the fact for the purposes of the enforcing measure. In that case, however, many affidavits were presented on the practical aspect of what was or was not intoxicating. Such distinguished public men and learned lawyers as the Hon. Elihu Root, William D. Guthrie, Esq., of New York, and Hon. William L. Marbury, of Baltimore, who were in charge of the case for the complainant, were convinced that they had fully established on the proofs as a matter of fact that 2.75 per cent alcoholic beer was nonintoxicating. The first affidavit which they presented was by Hobart Amory Hare, M. D., then professor of therapeutics, materia medica, and diagnosis in the Jefferson Medical College, Philadelphia. Doctor Hare is one of the most distinguished physiologists and therapeutists in this country, and has a world-wide reputation in his profession. His opinion as stated on the record in the case mentioned is that beer containing not to exceed 2.75 per cent of alcohol, by weight, is not intoxicating.

Many other physiologists, toxicologists, and scientists learned in this field have expressed similar conclusions.

From my reading and discussion, I am now of the opinion that these scientific expressions are valid. I submit, however, that your commission should look into this question of fact and on its own examination of the authorities give to Congress an expression as to what percentage of alcohol in naturally fermented beverages may be deemed to be nonintoxicating; this to the end that Congress may have before it the commission's independent finding in this regard.

I wish now to present the question of policy:

The eighteenth amendment prohibits the manufacture, sale, transportation, importation, and exportation of intoxicating liquor for beverage use.

That, and nothing more.

It does not prohibit intoxicating liquor for any other purpose than beverage use, neither does it define intoxicating liquor. The amendment provides that Congress and the several States shall have the concurrent power to enforce this article by appropriate legislation. In the exercise of that power, Congress has, in Title I of the national prohibition act, defined intoxicating liquor as any beverage containing as much as one-half of 1 per cent of alcohol. That definition of an intoxicant made it arbitrary upon all States enacting State enforcement laws to define intoxicating liquor within the same exact terms; otherwise, any other definition of an intoxicant by a State would be in conflict with the national law, and, therefore, null and void. But Congress, in section 29 of the national prohibition law, provided that the penalties of the act shall not apply to the manufacture in the home of cider and nonintoxicating fruit juices exclusively for use in the home. The term "nonintoxicating fruit juices" means wine.

Under the national prohibition law as it now stands any beverage containing as much as one-half of 1 per cent of alcohol, not manufactured in the home, is an intoxicating liquor in violation of the law; but under section 29 it is entirely legal to manufacture in the home cider and nonintoxicating fruit juices—in other words, wines, regardless of their alcoholic content.

The Prohibition Bureau in its instructions to prohibition agents states that the ciders and fruit juices manufactured under section 29 of the Volstead Act do not have to conform to the one-half of 1 per cent standard in Title I of the law but may contain alcohol in excess of that amount. The amount of alcohol by which these beverages so manufactured may exceed the one-half of 1 per cent standard before they become intoxicating in fact can be determined only by a jury in a court of law. The Prohibition Bureau has no authority to say that such beverages containing 3, 5, 10, or 50 per cent of alcohol are intoxicating. The only method by which the Federal Government under this provision of the law can determine whether such beverages are intoxicating is to institute a proceeding and submit the question to a jury.

In the celebrated case of former Congressman John Philip Hill, tried in the Federal court at Baltimore, the jury held that his 12 per cent homemade wine was nonintoxicating. The Federal Government has not brought another case; therefore, under the law as it now operates, millions of householders are manufacturing wines and ciders in their homes regardless of their alcoholic content. The Federal Government does not challenge their right to do so. Last August the Federal Prohibition Bureau issued explicit instructions to all its agents not to interfere with such home manufacture of ciders and nonintoxicating fruit juices, except upon evidence of sale, and also not to interfere with the shipment and delivery of grapes to be used in such manufacture.

The effect of section 29 of the Volstead Act, as interpreted by the Federal Prohibition Bureau, is to legalize the manufacture in the home of wines, ciders, and champagnes, regardless of their alcoholic content. It is a well-known scientific fact that pure apple juice, after it is fermented into cider, contains never less than 3½ per cent of alcohol and may contain much more. Grape juices through natural fermentation will produce from 10 to 15 per cent of alcohol. Therefore, in the Federal prohibition law as it stands to-day, there are two widely divergent if not conflicting definitions of intoxicating liquors—one in specific terms defining an intoxicant as any beverage containing as much as one-half of 1 per cent of alcohol, and the other so indefinite that only a jury in a court of law can determine what constitutes an intoxicating liquor.

The bill which I have introduced provides for the legalization of beer containing 2.75 per cent of alcohol by weight. Under Title I of the national prohibition act any beer, whether manufactured inside or outside of the home, is unlawful if it contains as much as one-half of 1 per cent of alcohol, but millions of householders are to-day manufacturing beer containing from 4 to 6 per cent of alcohol on the theory that if it is legal to manufacture wines and ciders in the home it ought not to be illegal to manufacture beer of a much less alcoholic content. However, under a strict construction of the law, there is no doubt that it is unlawful to manufacture beer in the home if it contains as much as one-half of 1 per cent of alcohol, although it is not unlawful to manufacture wines and ciders containing ten to twenty times that amount of alcohol.

The Federal Prohibition Bureau has not made any serious effort to interfere with the manufacture of beer in the home, probably upon the theory that it would be highly inconsistent to arrest and prosecute householders for the violation of the national prohibition act for making beer of a lesser alcoholic content than wines and ciders, the legality of which is fully recognized under the provisions of section 29.

The legislatures of several of the States have in effect legalized the manufacture of beer in the home by taxing the ingredients from which it is made. As a matter of common sense, no citizen can understand why wines and ciders of 6 to 12 per cent of alcohol are nonintoxicating if made in the home and are intoxicating if made outside of the home. Neither are they able to understand why such wines and ciders are nonintoxicating and malt beverages containing as much as one-half of 1 per cent of alcohol, made either inside or outside of the home, are by law made intoxicating.

Under the provisions of the bill, malt beverages containing 2.75 per cent of alcohol, less than one-fourth of the alcohol in legal home-made wines and champagnes and less than one-half as much alcohol as in most of the home-made beers, would be legalized.

Since the national prohibition law defines an intoxicant as any beverage containing as much as one-half of 1 per cent of alcohol, it naturally follows that no State can legalize a beverage containing a greater quantity of alcohol, regardless of the will of the people of the several States. The result of this arbitrary provision of the law is that several of the great States, having by an overwhelming vote of their people petitioned for an amendment to the law to legalize 2.75 per cent beer, have either repealed their State enforcement laws or refused to enact State enforcement laws, and have therefore divorced themselves entirely from the Federal Government in the enforcement of the prohibition law. These great States have said in effect to the Federal Government:

"Since you are so unreasonable in your definition of an intoxicating liquor, you must bear the entire burden of prohibition enforcement. The definition of an intoxicating liquor in the national prohibition law is neither scientific, honest, nor truthful. We will not participate in the enforcement of a statutory lie against the citizens of our State. We will not imprison or penalize our citizens for the violation of a provision of the law that is unscientific and dishonest."

Since 1923 the Federal Government, through the chief executives and the law-enforcement bodies, has been making appeals to the State governments to relieve the Federal Government of a share of the great burden of prohibition enforcement.

Nevada, Montana, Wisconsin, and New York have answered by repealing their State enforcement laws, and Maryland has steadfastly refused to pass any State enforcement act. Massachusetts in November

will vote on a proposition to repeal its State enforcement law. Illinois has twice by overwhelming majorities voted in favor of the legalization of beer. Since this petition has not been granted by the Federal Government, the House of Representatives of the Illinois Legislature has twice voted to repeal the State enforcement act. The State senate by a very narrow margin has twice prevented the repeal of the act.

In 1922 the people of Illinois voted on this proposition:

"Shall the existing State and Federal prohibitory laws be modified so as to permit the manufacture, sale, and transportation of beer (containing less than 4 per cent by volume of alcohol) and light wines for home consumption."

The vote was: Yes, 1,065,242; and no, 512,111.

In other words, 67.6 per cent of the people of the State of Illinois voted in favor of the legalization of both beer and wine, and 32.4 per cent voted against it.

In 1926 Illinois again voted upon a much broader proposition, as follows:

"Should the Congress of the United States modify the Federal act to enforce the eighteenth amendment to the Constitution of the United States so that the same shall not prohibit the manufacture, sale, transportation, importation, or exportation of beverages which are not in fact intoxicating, as determined in accordance with the laws of the respective States?"

The vote on that proposition was yes, 840,631, or 60.2 per cent; and no, 556,592, or 39.8 per cent.

It is quite probable, therefore, that if the question of repeal of the State law of Illinois should be submitted to a direct vote of the people it might carry, and the State would thus withdraw all support from the National Government in the enforcement of the law. There are new movements underway to submit the repeal of the State laws of Illinois, Missouri, and Pennsylvania to a direct vote of the people. If, in addition to the five States which have either repealed their State laws or refused to enact them, there should be added the populous States of Missouri, Pennsylvania, Illinois, and Massachusetts, the Federal Government would be confronted with a most serious problem in the matter of the enforcement of the national prohibition law.

Let me mention some of these State problems. Several years ago the Legislature of Wisconsin passed a bill to legalize the manufacture of beer. The State law, being in conflict with the Federal law, was of no force. Then in 1926 Wisconsin voted on this proposition:

"Shall the Congress of the United States amend the 'Volstead Act' so as to authorize the manufacture and sale of beer, for beverage purposes, of an alcoholic percentage of 2.75 per cent by weight, under governmental supervision, but with the provision that no beverage so purchased shall be drank on the premises where obtained?"

The vote on this proposition was:

Yes, 349,443, or 66.3 per cent; and no, 177,602, or 33.7 per cent.

That vote may be construed as an emphatic demand upon the part of a great majority of the people of Wisconsin for relief from the drastic provisions of the national prohibition act by the legalization of the manufacture of a light, nonintoxicating beer. Congress failed to hear the voice of Wisconsin; therefore, the State legislature in 1928 submitted to the people a proposition to repeal the State enforcement law. That vote was taken in April, 1929, and the people of the State, by a majority of approximately 150,000, went on record in favor of repeal. The State legislature met shortly afterwards and in obedience to the mandate of the people wiped the State prohibition enforcement act from the statute books.

The State of New York several years ago passed a law legalizing the manufacture of beer. This law was in conflict with the figure in the national law. The State legislature in 1923 repealed the State enforcement act, and in each biennial session thereafter has refused to reenact it.

In 1926 there was submitted to the people of New York this proposal:

"Should the Congress of the United States modify the Federal act to enforce the eighteenth amendment so that the same shall not prohibit the manufacture, sale, transportation, importation, or exportation of beverages which are not in fact intoxicating as determined in accordance with the laws of the respective States?"

The vote on that proposition was:

Yes, 1,763,070, or 74.8 per cent.

No, 598,484, or 25.2 per cent.

In Massachusetts in 1928 a proposition to instruct the Representatives of the State in Congress to vote for the repeal of the eighteenth amendment was submitted in all but one or two congressional districts and carried by a majority of approximately 250,000.

In Montana in 1926 an initiative bill to repeal the State enforcement act was adopted by a vote of 83,231 to 72,982. A proposition to reenact the State enforcement law was again voted on in 1928 and was defeated by a larger antiprohibition vote than in 1926.

The Legislature of Nevada repealed the State enforcement act and in 1926 submitted to the people for direct vote a resolution declaring that:

"Experience has demonstrated that the attempt to abolish recognized abuses of the liquor traffic by the radical means of constitutional prohibition has generally failed of its purpose," and making "application to the Congress of the United States to call a convention for proposing an amendment to Article XVIII of the amendments to the Constitution of the United States."

That resolution was adopted by a vote of 18,131, or 77.2 per cent, as against 5,352, or 22.8 per cent.

It must be apparent to the members of this commission that the denial by the Federal Government of the petitions of the people of several of the largest States for remedial legislation in the legalization of a nonintoxicating beer of 2.75 per cent of alcohol is leading rapidly to the creation of conditions under which some States have already withdrawn all support and others apparently will withdraw all support from the Federal Government in the matter of enforcing the national prohibition law. It must also be apparent to this commission that if the Federal Government desires the support of the States in the enforcement of the national prohibition law some latitude must be granted to the States in determining what constitutes an intoxicating liquor. Without the support of State laws, enforced by local officers and in local courts, it will be a manifest impossibility for the Federal Government to enforce the national prohibition act within any reasonable scope; and this is particularly true in view of our Federal court situation under the national prohibition act.

This commission, I presume, fully understands that there is a great body of public opinion opposed to the prohibition law. This opposition is in part against the rigorous provisions of the enforcement act and in part against the eighteenth amendment. The results of the referendum elections in several States indicate that the majorities in favor of the modification of the law are very large; and since the Federal Government adheres to the original provisions of the enforcement act and refuses to liberalize it to permit the manufacture and sale of beverages which are, in fact, nonintoxicating, the objection of the people becomes more firmly rooted and takes the form either of opposition to the amendment itself or to the State laws or both. It might be well in this connection to mention the situation that existed at the time of the ratification of the eighteenth amendment.

The eighteenth amendment was never submitted to a direct vote of the people. While it is true that ratification by the legislatures of the States was in accord with the Constitution, it should be remembered that ratification was during the period of war excitement and war extremes. Of course I mention this topic in no way as an assault upon the eighteenth amendment, but it is material as showing one of the difficulties of the popular attitude toward the system, and is a feature of the problem that Congress has to realize in dealing with legislation under the amendment. It is also claimed by many that this was the first and only amendment that was ever adopted which gave new and added powers to the Government of the United States, with a corresponding decrease of power in the individual citizen.

Examination of the records of the States shows that at the time of the ratification of the eighteenth amendment, 33 States had State-wide or constitutional prohibition; 23 by direct vote of the people; and 10 by acts of their legislatures without having submitted the question to direct vote. Fifteen States had no State-wide laws. In the 23 States that had adopted State-wide prohibition by a vote of the people, 2,666,408 votes were cast for the prohibition policy and 2,104,906 votes against it. The population of these 23 States was in 1920, 33,701,000. The 15 States which had no State-wide prohibition laws had a population of 50,257,517. The 10 States that had prohibition by statute without having submitted the issue to direct vote had a population of 22,014,831. It will thus be seen that the people in States having 72,272,348 population had never by direct vote of their people agreed to the policy, while the population of the States that had, by direct vote, adopted the policy was 33,701,000. A record of the vote of these States is available to the commission or can be furnished.

So far as the record shows, but 2,666,408 people in the entire United States had indicated by their vote at the polls that they desired even state-wide prohibition.

In my own State of Missouri there was submitted at the 1916 election a proposition to adopt a prohibition constitutional amendment with a sort of understanding or gentlemen's agreement that the vote would be regarded as an expression of the will of the people on ratification of the eighteenth amendment. The State amendment was rejected by a majority of 73,964, but the legislature elected on the day this referendum was taken promptly ratified the eighteenth amendment. So far as I can recall, the eighteenth amendment was subjected to a referendum after ratification by the State legislature in but one State—Ohio. The people of Ohio by a small majority voted to reject the amendment. These facts are set down here merely as a memorandum reflecting the views of the people as expressed in regular elections. They will perhaps throw some light on the difficulties arising in the enforcement problem. Numerous newspaper polls, covering almost the entire United States, were taken in 1926. These polls were unofficial, of course, but they were participated in by newspapers of all shades of opinion on prohibition. The polls indicated that at least 75 per cent of those sending in their marked ballots favored modification of the national prohibition law to permit the manufacture of nondealcoholized beer.

The late Samuel Gompers, for many years president of the American Federation of Labor, testifying before the House Judiciary Committee

on April 21, 1924, presented to that body the resolutions of the conventions of the federation strongly demanding the legalization of the manufacture and sale of 2.75 per cent beer. The Federation of Labor in annual convention in 1921 adopted a resolution for beer and has continuously in subsequent conventions ratified that demand.

Mr. Gompers presented to the Judiciary Committee the resolutions adopted by the conventions of the American Federation of Labor in 1921 and 1923. These resolutions make it clear and emphatic that the Federation of Labor seeks no violation of the eighteenth amendment, but favored a reasonable interpretation of the amendment "in order that the prohibition law may be enforceable and enforced, and in order that the people of our country may not suffer from an unjust and fanatical interpretation of the Constitution."

The resolutions of the 1923 convention, which were reaffirmed after the death of Mr. Gompers by the 1927 convention of the American Federation of Labor, state emphatically that in the opinion of the great body of American citizenship represented by this organization the liberalization of the national prohibition law to legalize the manufacture and sale of wholesome beer would be of great value not only in the enforcement of the law against the unlawful sale of high-powered and poisonous liquor but would be of great value in restoring and maintaining respect for law.

It must be realized that the apparent extremity of the National Congress and the Federal administration under the eighteenth amendment has caused the people in many of the populous urban centers and populous States to believe that the national law as enforced by national officers is more rigorous than the eighteenth amendment itself requires.

We can not escape the conclusion that great resentment exists in the densely populated portions of the country against the law which tolerates homemade wines and ciders in rural sections, where the population has available the materials therefor, but forbids nonintoxicating beverages to city dwellers and the laboring classes who are unable to secure wines and ciders either by home manufacture or by purchase.

There are pronounced benefits, which, in my own opinion, would result from squaring the national prohibition act with the facts, and I think that this commission should make its own investigation and report its conclusion on these several propositions so that the Congress could have the benefit of its judgment in considering the very important questions that this subject presents.

We are confronted with certain conceded facts.

Strong beer of the ale type is made in great quantities within the United States from three different sources:

First. Beer is brewed in the home with the tacit consent of the Government, but none the less contrary to law. This beer is necessarily poorly made, is of high alcoholic content through inability to regulate fermentation, and in most cases is intoxicating in fact. Growing children observe the violation of law by their parents; even participate in the making of the beer, and it is fairly to be assumed that they early learn to consume the homemade beer.

Certainly this condition is contrary to every principle of morals upon which the eighteenth amendment and the law are founded. Certainly in the interest of law enforcement and law observance, the commission should give to us its views on the sociological question and the tendency toward disregard of law on the part of the youth which this nation-wide condition brings about.

Second, home brewing has led to a further illegal practice, to wit, so-called alley brewing, which consists of home brewing on a commercial scale for sale to neighborhood soft-drink stands and speak-easies.

Third, illicit operation of former breweries either with or without permit for the manufacture of less than half per cent alcoholic beer furnishes beer on a substantial commercial scale. The courts have held that the Government can not interfere with brewing by alleged fermentation where alcohol is supposed never to reach the one-half per cent except the Government employ search warrant and the usual proceedings. Permit is required by law where higher alcoholic content is created and the dealcoholizing process employed, and the Government has the right of inspection in such permitted operations.

In the first class of operations, home brewing, the evils consist of demoralization of the home, intoxication in the home, and the vice of Government assent to a clear violation of existing law.

In the second and third classes there is plain commercial violation of law, and the high alcoholic content of the bad beer hastily made and marketed means that the fundamental prohibition of the Constitution is transgressed.

Two attendant vicious evils are present in the commercial illicit beer trade. In the first place, it leads to corruption of officers to secure protection for the handling of a bulky commodity and the large profits in selling a cheaply and quickly made product enable the beer runners to raise large corruption funds.

Secondly, the distribution is local and gang operations to control district operations in bootleg beer have led to much of the gang warfare and violence that have become a menace to the public safety in several of the great cities of the country.

The question, then, is as to the benefit in this particular field and in prohibition enforcement generally, if any, which the country could fairly hope to secure by a change in the law respecting alcoholic content. It is the views of the commission on this question which we seek to secure. Certainly, if any appreciable benefit could be secured, without Congress departing from the eighteenth amendment, such benefit should be sought.

Certainly, we can start from the constitutional premise that Congress should not by statute attempt to exceed the prohibition that the eighteenth amendment itself fixes. If one-half per cent is well below the intoxicating limit, Congress has already gone further than the amendment. If 2.75 or 3 per cent of alcohol is not intoxicating, Congress constitutionally may elevate the figure.

We feel that the commission should ascertain whether or not, as now stated by many of the law-abiding brewers of the country, the manufacture of such beer could be conducted without necessity of dealcoholizing and spoiling flavor and character of the malt beverage, and with a resulting product that would satisfy the demand for beer now illegally supplied by home brewing, alley brewing, and other illicit manufacture of strong beers, and would this, by doing away with existing admitted violation of the law in that one field, with attendant corruption and violence, be in itself a warrant for the change?

The commission should further consider whether or not the availability of a beverage of this character would tend to offset the demand for strong liquor, and the benefit of enabling enforcement officers to concentrate their efforts against hard-liquor manufacture and the bootlegging thereof.

The commission should also consider the effect upon the public attitude toward the law as a whole of a change of this character. How much benefit in a better attitude of panelmen in jury trials in liquor cases could be expected in cities such as St. Louis, Chicago, Philadelphia, and New York were Congress to adjust the alcoholic content with more regard to forbidding only actually intoxicating liquors?

Further, again, what would be the probable effect with respect to relations between the Federal Government and the States that show disinclination now to cooperate at all in enforcement? Could it be expected that some of the States would act more favorably in the light of a patent effort by Congress to make the national legislation no more stringent than the eighteenth amendment requires?

While I am satisfied myself that some or all of the benefits mentioned would result from the change, aside from any question as to the legislative fairness of the existing provision, I am convinced that the deliberate and dispassionate conclusions of this commission, composed as it is of citizens of scholarly distinction and concerned only with actual facts and fair deduction therefrom, will be of great utility in congressional deliberation on this very important topic.

I therefore urge that the commission aid us with its study of facts and conclusions, as requested in my letter to your distinguished chairman.

For the information of the commission I wish to leave a digest which I have prepared of a great mass of letters which have come to me on this subject. I, of course, have the original papers if they would be of use to the commission. These letters indicate the very general concern which this subject has aroused amongst employers of labor, workers, and the public at large. I understand from the CONGRESSIONAL RECORD that Mr. William Green, president of the American Federation of Labor, has already made a statement direct to your commission in which he discusses this problem. That the public interest is intense is evident from the attitude displayed in these communications. My own study of all of this mass of material, including as well the expressions in the public press, confirm me in the conviction that there is a public belief that an adjustment of the law by the Congress would tend to relieve the enormous difficulties of enforcement which harass the executive branch of the Government and the Federal courts of the country.

I earnestly hope that the commission will furnish us its independent views on the two primary questions which I first submitted.

NEW ORLEANS AS THE PROPER LOCATION FOR THE GENERAL HEADQUARTERS OF THE NATIONAL COTTON CORPORATION

Mr. O'CONNOR of Louisiana. Mr. Speaker, I ask unanimous consent to extend my own remarks on New Orleans as the location for headquarters of the National Cotton Corporation and include a paper sent to me by the New Orleans Association of Commerce.

The SPEAKER pro tempore. The gentleman from Louisiana asks unanimous consent to extend his remarks in the manner indicated. Is there objection?

There was no objection.

Mr. O'CONNOR of Louisiana. Mr. Speaker and Members of the House, the greatness of New Orleans as the port of the Mississippi Valley is frequently lost sight of by many who are dazzled with its fame as a city of historic memories. It is a city that has lived and suffered as probably no other city on the American Continent has lived and suffered. Though old and eventful before your orator was born, it has during his lifetime undergone a chrysalis. Sixty years ago it was feeble and able only to faintly flutter. It had been prostrated during the Civil War. The heel of the invading conqueror was still felt. The

night had been long and apparently there was to be no daybreak. Only a chirp here and there gave hope of a dawn. But with a courage destined to overcome all obstacles and equal to the fortitude with which the city had borne its calamities, vicissitudes, and defeats our people marched steadily forward to one of the greatest victories of ancient or modern times.

In 1870 the city, as a result of flood, famine, disease, war, and pestilence resembled a South American village. But the people resolved grimly to carry on, and by unparalleled sacrifices and efforts a drainage system was installed that has made it possible to go down into the bowels of the earth and secure foundations as durable as those that are laid on the rock bottom of Manhattan Island. A water and purification plant has reached about as near perfection as any of the works and inventions of man can approach at the cost of many millions of dollars, and to-day the city can boast of a water supply that for purity is not excelled by that of any municipality on earth. It is Mississippi River water, caught at New Orleans and filtered after its long journey from the ramparts of the Rockies and the crest of the Alleghenies. It is water that has sung its way from Lake Itasca on its journey to the Gulf of Mexico. During the last 30 years a public belt system has come into existence that is unique in the life of America. A dock system blesses the river front and the commerce of the valley with an efficiency and a dispatch which have earned for the old city the reputation of having a river terminal that is equal to the very best in the world. New Orleans is so situated that it makes for the most attractive spot on this continent for those who are inclined to wander on after having satisfied their souls with the finer things for which the spirit of the cultured ever craves. From out of that port go riders to the sea which bring those in search of adventure to Vera Cruz in a few days of sea voyage, and from that ancient city can be made an ascent within a few hours toward Mexico City that probably has no parallel in the Alps or the Andes. Or one may journey down to Port Limon and from there make the unforgettable ascent to San Jose. Or one may go to Panama City, which has, of course, taken on a new significance to all Americans who love any place over which the American flag floats.

One of the most impelling reasons advanced for making New Orleans the situs or locus for the world's exposition was made by Crawford Ellis, vice president of the United Fruit Co., who in his own graphic manner showed the advantages that would flow to continental United States by locating the great exposition in New Orleans, and emphasized those reasons by sketching in a most alluring manner the many side trips, journeys, and voyages that could be made by those who would come to New Orleans and have their desire to move farther southward stimulated by its wondrous atmosphere.

But the greatness of New Orleans lies in its splendid realities as the port of the Mississippi Valley. It is in touch with the wide, wide world, as the saying goes, because soon or late every vessel that sails the seas finds its way up the Mississippi River to the city of magic and charm. And its grand destiny is not nearly accomplished, notwithstanding its age, its defeats, and its victories. We are scarcely past the sunrise for our real commercial greatness still lies ahead. Before the railroad came into existence, in 1825 or thereabout, it looked as if New Orleans was to become the great metropolis of the world. All commerce then had to pass down the Mississippi River and its tributaries by way of raft, barge, and steamboat to New Orleans. But the locomotive changed transportation routes and commerce passed over the Allegheny Mountains to the Atlantic seaboard north and south.

It is a world of change, however, and we move through cycles and circles back to the point from which we started very frequently. "The stone which the builders refused is become the headstone of the corner," as the book hath it or as many lodge orators phrase it, "and the stone that was rejected becomes the keystone of the arch." As a result of the growth of population in the Mississippi Valley and the advance and inventions in the mechanical arts, barges of immense cargo-carrying capacity have come into existence, moving under their own power and promising to revolutionize not only the transportation of the country but its domestic and foreign trade routes.

If the most thoughtful students of economics and transportation have a correct vision New Orleans will during the lifetime of many of those now living double its population and quintuple its resources and wealth. It should be the headquarters of the cotton trade and industry of the South. And it is almost inconceivable to think that the National Cotton Corporation would hesitate about selecting it as the proper location for its general headquarters.

Among the really big institutions of Louisiana is the New Orleans Association of Commerce. It prepared a statement of facts for presentation to the Organization Committee of the National Cotton Corporation from which I cull information which I know will be of vast importance to those who are interested in seeing the headquarters desirably located as well as to men, corporations and institutions that are looking for an investment field wherein they may reap harvests of gold.

This invitation to establish the general headquarters of the National Cotton Corporation in New Orleans is extended on behalf of the following interests and organizations:

State of Louisiana, His excellency, Huey P. Long, governor; city of New Orleans, Hon. T. Semmes Walmsley, mayor; New Orleans Association of Commerce, A. D. Danziger, president; New Orleans Board of Trade, W. L. Richeson, president; New Orleans Cotton Exchange, J. P. Henican, president; New Orleans Stock Exchange, Geo. E. Williams, president; Louisiana Sugar and Rice Exchange, R. M. Murphy, president; New Orleans Insurance Exchange, Bryan Bell, president; New Orleans Real Estate Board, Guy L. Deano, president; New Orleans Clearing House Association, L. H. Dinkins, president; New Orleans Steamship Association, S. T. DeMilt, president; Green Coffee Association of New Orleans (Inc.), G. R. Westfeldt, jr., president; New Orleans Homestead Clearing House Association, N. G. Carbajal, president.

HISTORICAL

From the very earliest days of cotton production in the United States to the present time New Orleans, by reason of its strategic geographical location, has occupied a preeminent position in the cotton world.

New Orleans is mentioned as a cotton trading point in the writings of its founders, as early as 1735, and for several decades was the only port of export of this commodity.

As the settlement of the interior progressed westward from the original colonial States, and the demand for cotton increased, the importance of New Orleans as a trading center grew apace, always maintaining her position as one of the country's leading cotton markets.

It is but logical that such a destiny should have been the portion of a city that has become the metropolis of the South; the second port of the country; and the natural gateway for over 54 per cent of the Nation's population.

PRODUCTION

As far back as the records of the United States Government are available the geographic center of production of the American cotton crop has been located within a comparatively short distance from New Orleans. The most recent statistics on the center of cotton production of the country, furnished by the United States Department of Commerce, show this point to be near the junction of the boundary line between the States of Louisiana and Arkansas with the Mississippi River.

There is shown below the cotton production of the United States for the year 1928:

Alabama	1,096,624
Arizona	145,731
Arkansas	1,216,241
California	171,042
Florida	20,053
Georgia	1,053,205
Louisiana	685,868
Mississippi	1,462,021
Missouri	146,921
North Carolina	869,248
New Mexico	82,177
Oklahoma	1,187,042
South Carolina	744,390
Tennessee	423,471
Texas	4,941,545
Virginia	44,764
All other States	6,206
United States	14,296,549

CONSUMPTION

Domestic: According to the most recent statistics furnished by the United States Department of Commerce, the consumption of domestic cotton for the fiscal year ending July 31, 1929, amounted to 6,778,199 bales, exclusive of linters. Of this total, nearly 6,500,000 bales were consumed in New England, New York, New Jersey, Pennsylvania, and so forth, and in the Southern States east of the Mississippi River.

When it is considered that more cotton is produced in the States west of the Mississippi River than in the States east thereof, it will be seen that there is a decided flow of the total movement from the West to the East.

Export: According to Government figures, the exports of domestic cotton for the same period referred to above were in excess of 8,500,000 bales, of which approximately 6,500,000 bales, or over 77 per cent, moved through Gulf ports.

The flow of the domestic movement from the West to the East and the preponderance of the export movement through

the Gulf ports would distinctly emphasize the need of locating the general headquarters at a point from which both movements could be most economically and conveniently directed and handled. It is manifest that New Orleans occupies such a position.

TRANSPORTATION

Nowhere else in the United States except at New Orleans may be found such a complete coordination of the four major transportation mediums—railroads, inland waterways, coastwise and overseas steamship service. The following nine railroad trunk lines, constituting over 20 per cent of the Class I railroad mileage of the United States, radiate from New Orleans, with direct service to every important city in the South:

Gulf Coast lines; Illinois Central system; Louisiana & Arkansas Railway; Louisville & Nashville Railroad; Missouri Pacific Railroad; Gulf, Mobile & Northern Railroad; Southern Railway system; Southern Pacific lines; Texas & Pacific Railroad.

Inland waterways: The Inland Waterways Corporation, an agency of the United States Government, operates regular barge service on the Mississippi River as far north as Minneapolis and St. Paul, and on the Warrior River as far north as Birmingham, Ala.

All-water rates via the barge line are uniformly 20 per cent lower than the all-rail rates. Through rates via rail and barge to New Orleans are published from a large part of the cotton-producing territory and will show tremendous economies in cost of transportation.

Independent barge lines operate regular service on the Mississippi and Ohio Rivers as far north as Pittsburgh, Pa., offering the same rate advantages as the Inland Waterways Corporation.

In addition to the river service mentioned above, several steamboat—packet—lines operate regular freight and passenger service to New Orleans from near-by points on the Mississippi River and its tributaries.

Coastwise steamship service: Coastwise steamship service is available to the Atlantic seaboard, New York, Philadelphia, and Boston; to the Pacific coast, Los Angeles, San Francisco, Seattle, Portland, and so forth, as well as to the various ports on the Gulf of Mexico.

Foreign steamship service: Foreign steamship service to and from New Orleans to all parts of the world is more extensive and regular than from any other American port except New York. Nearly 90 steamship lines operate to every principal port in the world, especially to the United Kingdom and continental ports, which are the largest consumers of American cotton.

New Orleans is nearer the Panama Canal than any other major American port, thereby offering ready accessibility to Japan and China, and so forth, which are also large consumers of American cotton.

Shipping advantages: By reason of its rate structure, its concentration and transit privileges, its combined rail, water, and storage facilities, and the recognized importance of its export market, New Orleans offers a greater variety of advantages than may be found in any other location for cotton handling and shipping.

FINANCING

Banks: The banking facilities of New Orleans are greater than those of any city in the South, the total resources of its seven banks exceeding $340,000,000.

Of particular interest to the cotton trade is the familiarity of these banks, acquired by many years of experience, with the requirements of producing and marketing cotton.

As an indication of the dominant position which New Orleans occupies in southern financial circles, the total debits to individual accounts in 1928 reached $4,189,000,000, which exceeded by nearly $2,000,000,000 that of the next southern city.

Federal banking facilities: In addition to the group of banks transacting general commercial business there are located in New Orleans divisions of the Federal reserve bank, the Federal land bank, and the Federal intermediate credit bank. The combined facilities of all of these institutions would be available with the maximum of convenience to the headquarters office of the national cotton corporation, if located in this city.

Acceptance market: The volume and extent of the financial activities in New Orleans, both domestic and foreign, assure a freedom and flexibility in the handling of commercial documents of every type. There is naturally a cheaper and better acceptance market in a metropolitan financial center like New Orleans than can be found in the interior, and it may be safely stated that the major financing of cotton in the future will be more and more through the medium of acceptances.

PORT FACILITIES

Wharves and warehouses: The port facilities of New Orleans, for the greater part publicly owned and operated, are second to none in the United States. They consist of approximately 7 miles of covered wharves, served by the Public Belt Railroad, a municipally owned utility, connecting with all of the trunk lines entering New Orleans, and rendering impartial switching service.

The combined cotton-storage facilities at New Orleans, publicly, privately, and railroad owned, total over 900,000 bales, all of which are fully equipped to render every type of service necessary in the handling of cotton. Included in the above-mentioned facilities is the publicly owned cotton warehouse, providing storage capacity of over 461,000 bales of high-density cotton, thoroughly fireproof, and offering attractive insurance rates, as well as low handling charges. It is served by the Public Belt Railroad.

Warehouse receipts: At the public cotton warehouse, as well as at most of the other cotton warehouses at New Orleans, United States Government licensed single-bale warehouse receipts are issued. These warehouse receipts, because of the regulations of the Department of Agriculture, are readily negotiable everywhere, being accepted by all banks throughout the country without question.

COTTON-TRADING FACILITIES

Cotton exchange: The cotton exchange at New Orleans, the only one of its kind in the South, would be a distinct advantage to the cotton corporation if its headquarters were located in New Orleans. This city is one of the three large future contract markets of the world and offers special inducements to buyers of spot cotton, who are enabled to promptly "hedge" their purchases, thereby reducing their risks to a minimum.

Another attractive feature in locating in New Orleans is the proximity to the source of information regarding crop conditions, which are assembled and disseminated by the New Orleans Cotton Exchange.

Handling cotton in New Orleans: The method of handling cotton in New Orleans is simple and economical. Upon arrival, the cotton is sampled, inspected, and weighed by neutral parties, duly licensed. A 6-ounce sample—about 3 ounces from each side—is drawn and sent to the storer, and an 8-ounce sample—about 4 ounces from each side—is drawn and sent to the exchange as a reserve sample. This sample is held in the custody of the exchange and the cotton may be sold on the storer's sample, subject to review of the reserve sample by the buyer. Unless otherwise agreed at time of sale, the cotton is settled for on the original weight. This method eliminates the waste consequent to rehandling as well as the charges which accrue when cotton is taken out of and put back in storage. Another economy incidental to the system is that the reserve sample in the custody of the exchange may be used if it is desired to certificate the cotton for delivery on New Orleans future contracts, thus again avoiding the expense of taking out of store and restoring.

Nothing is more important in handling cotton on the scale contemplated by the cotton corporation than an immediate contact with world markets. In no other city in the South can this contact be obtained as completely as in New Orleans, because of the port's long-established connection with foreign commerce and its direct cable service to the principal cotton-consuming centers of the world.

SUMMARY

It has been demonstrated that New Orleans occupies an outstanding position in the physical handling of cotton and has to offer to the National Cotton Corporation the following combined advantages for the location of their headquarters, which can not be obtained elsewhere:

Central geographical location for both export and domestic movement.

Excellence and variety of transportation facilities.

Magnitude of financial resources.

Size and importance as a port.

In addition to the reasons given above, and overshadowing in importance every other requirement, is the location in New Orleans of the cotton exchange, whose services your executives will find invaluable and beyond substitution. The cotton exchange is the original and quickest source of information on all matters affecting cotton not only in this country but throughout the world. Instant and continual contact with its services will only be possible if your general headquarters are established in New Orleans.

EXTENSION OF REMARKS

Mr. PATTERSON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by including a statement concerning provisions to improve rural health conditions in the State of Alabama as compared with other States.

The SPEAKER pro tempore. The gentleman from Alabama asks unanimous consent to extend his remarks in the manner indicated. Is there objection?

Mr. TREADWAY. Reserving the right to object, Mr. Speaker, may I ask the gentleman if that is an official document?

Mr. PATTERSON. No. It is a statement in regard to rural health.

Mr. TREADWAY. That is evidently a matter of local concern, and not a matter of national importance. I object.

The SPEAKER pro tempore. Objection is heard.

LEAVE TO PRINT

Mr. RANKIN. Mr. Speaker, have we the right to revise and extend our remarks on this bill?

Mr. PARKER. You have that permission for a week.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Craven, its principal clerk, announced that the Senate had passed without amendment a bill of the House of the following title:

H. R. 8423. An act granting the consent of Congress to the State of Minnesota, or any political subdivision thereof, to construct, maintain, and operate a bridge across the Mississippi River at or near Topeka, Minn.

The message also announced that the Senate insists upon its amendments to the bill (H. R. 9979) entitled "An act making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1930, and prior fiscal years, to provide urgent supplemental appropriations for the fiscal years ending June 30, 1930, and June 30, 1931, and for other purposes," disagreed to by the House, agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. JONES, Mr. HALE, Mr. PHIPPS, Mr. OVERMAN, and Mr. GLASS to be the conferees on the part of the Senate.

BILLS PRESENTED TO THE PRESIDENT

Mr. CAMPBELL of Pennsylvania, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, bills and a joint resolution of the House of the following titles:

H. R. 4767. An act to authorize sale of iron pier in Delaware Bay near Lewes, Del.;

H. R. 7971. An act to extend the times for commencing and completing the construction of a bridge across the French Broad River on Tennessee Highway No. 9, near the town of Bridgeport in Cocke County, Tenn.;

H. R. 8287. An act granting the consent of Congress to the State Highway Commission of Virginia to maintain a bridge already constructed across the Shenandoah River in Clarke County, Va., United States route No. 50;

H. R. 9180. An act to legalize a bridge across the Roanoke River at or near Weldon, N. C.; and

H. J. Res. 223. Joint resolution to provide for the expenses of participation by the United States in the International Conference for the Codification of International Law in 1930.

ADJOURNMENT

Mr. PARKER. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 56 minutes p. m.) the House adjourned, pursuant to the order previously made, until Monday, March 17, 1930, at 12 o'clock noon.

COMMITTEE HEARINGS

Mr. TILSON submitted the following tentative list of committee hearings scheduled for Monday, March 17, 1930, as reported to the floor leader by clerks of the several committees:

COMMITTEE ON APPROPRIATIONS

(10.30 a. m.)

Navy Department appropriation bill.

COMMITTEE ON COINAGE, WEIGHTS, AND MEASURES

(10.30 a. m.)

To authorize the coinage of silver 50-cent pieces in commemoration of the seventy-fifth anniversary of the Gadsden Purchase (H. R. 2029).

To authorize the coinage of 50-cent pieces in commemoration of the three hundredth anniversary of the founding of the Massachusetts Bay Colony (H. R. 6846).

To establish an assay office at Dahlonega, Lumpkin County, Ga. (H. R. 6998).

To discontinue the coinage of the 2½-dollar gold piece (H. R. 9894).

EXECUTIVE COMMUNICATIONS, ETC.

364. Under clause 2 of Rule XXIV, a letter from the Secretary of War, transmitting a draft of a bill to authorize the use of the proceeds received from the sale of surplus war reserve stocks for the purpose of reducing such deficits in war reserve stocks, was taken from the Speaker's table and referred to the Committee on Military Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. KORELL: Committee on Foreign Affairs. H. J. Res. 253. A joint resolution to provide for the expenses of a delegation of the United States to the sixth meeting of the Congress of Military Medicine and Pharmacy to be held at Budapest in 1931; without amendment (Rept. No. 903). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. MILLER: Committee on Naval Affairs. H. R. 4206. A bill authorizing the Secretary of the Navy, in his discretion, to deliver to the custody of the city of Olympia, State of Washington, the silver service set and bronze tablet in use on the U. S. cruiser *Olympia;* with amendment (Rept. No. 902). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of Rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. HOPE: A bill (H. R. 10774) authorizing the establishment of a migratory-bird refuge in the Cheyenne Bottoms, Barton County, Kans.; to the Committee on Agriculture.

By Mr. TABER: A bill (H. R. 10775) to provide for promotion in the Navy to the grade of captain; to the Committee on Naval Affairs.

By Mr. WRIGHT: A bill (H. R. 10776) authorizing the appropriation of $2,500 for the erection of a monument on the county courthouse yard or square in the city of Carrollton, Ga., to commemorate the memory of Gen. William McIntosh; to the Committee on the Library.

By Mr. ZIHLMAN: A bill (H. R. 10777) to authorize the Commissioners of the District of Columbia to widen Wisconsin Avenue abutting squares 1200, 1300, and 1935; to the Committee on the District of Columbia.

Also, a bill (H. R. 10778) to permit construction, maintenance, and use of certain pipe lines for petroleum and petroleum products; to the Committee on the District of Columbia.

By Mr. GIBSON: A bill (H. R. 10779) to amend section 7 of an act entitled "An act making appropriations to provide for the government of the District of Columbia for the fiscal year ending June 30, 1903, and for other purposes," approved July 1, 1902, and for other purposes; to the Committee on the District of Columbia.

By Mr. HAUGEN: A bill (H. R. 10780) to transfer certain lands to the Ouachita National Forest, Ark.; to the Committee on Agriculture.

By Mr. SABATH: A bill (H. R. 10781) to amend section 8 of the act making appropriations to provide for the expenses of the government of the District of Columbia for the fiscal year ending June 30, 1914, and for other purposes, approved March 4, 1913; to the Committee on the District of Columbia.

By Mr. HAUGEN: A bill (H. R. 10782) to facilitate and simplify the work of the Forest Service; to the Committee on Agriculture.

By Mr. KNUTSON: A bill (H. R. 10783) to provide for equalizing the benefits of the Chippewa Indian tribal fund among the school children of the enrolled members of the Chippewa Indians belonging to the Chippewa Tribe of Minnesota; to the Committee on Indian Affairs.

By Mr. KUNZ: Joint resolution (H. J. Res. 267) directing the President to proclaim October 11 of each year General Pulaski's memorial day, for the observance and commemoration of the death of Brig Gen. Casimir Pulaski; to the Committee on the Judiciary.

By Mr. SABATH: Joint resolution (H. J. Res. 268) directing the President to proclaim October 11 of each year General Pulaski's memorial day, for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BACHMANN: A bill (H. R. 10784) granting a pension to Kate Bee; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10785) granting an increase of pension to Elizabeth S. Snider; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10786) granting an increase of pension to Martha E. Stewart; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10787) for the relief of George E. Kirk; to the Committee on Military Affairs.

By Mr. BLACKBURN: A bill (H. R. 10788) granting an increase of pension to George Ann Washington; to the Committee on Invalid Pensions.

By Mr. BRAND of Ohio: A bill (H. R. 10789) granting an increase of pension to Clarissa Rogers; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10790) granting a pension to Flora Bowman; to the Committee on Invalid Pensions.

By Mr. BRUNNER: A bill (H. R. 10791) for the relief of Stella M. Homan; to the Committee on Military Affairs.

By Mr. CARTER of California: A bill (H. R. 10792) granting a pension to Hannah Louisa Madden; to the Committee on Pensions.

By Mr. CARTER of Wyoming: A bill (H. R. 10793) granting a pension to Claudia A. Miller; to the Committee on Pensions.

By Mr. CLARK of North Carolina: A bill (H. R. 10794) for the relief of Richard L. Meares, administrator of Armand D. Young, deceased; to the Committee on War Claims.

By Mr. CRAIL: A bill (H. R. 10795) for the relief of Charles Johnson; to the Committee on Naval Affairs.

By Mr. FITZGERALD: A bill (H. R. 10796) for the advancement of Lieut. Alford J. Williams, jr., United States Navy, to the grade of captain on the retired list of the Navy; to the Committee on Naval Affairs.

Also, a bill (H. R. 10797) for the relief of Bernis Brien; to the Committee on Claims.

By Mr. HUDDLESTON: A bill (H. R. 10798) for the relief of Lowela Hanlin; to the Committee on Claims.

By Mr. JOHNSON of Illinois: A bill (H. R. 10799) granting an increase of pension to Mary L. Leverton; to the Committee on Pensions.

Also, a bill (H. R. 10800) granting an increase of pension to Mary A. Gramm; to the Committee on Invalid Pensions.

By Mr. KENDALL of Kentucky: A bill (H. R. 10801) granting a pension to Emily Williams; to the Committee on Invalid Pensions.

By Mrs. McCORMICK of Illinois: A bill (H. R. 10802) granting a pension to L. C. Latham; to the Committee on Pensions.

By Mr. McKEOWN: A bill (H. R. 10803) granting a pension to Mary Jane McCamey; to the Committee on Invalid Pensions.

By Mr. O'CONNOR of Oklahoma: A bill (H. R. 10804) for the relief of Irma Upp Miles, the widow, and Meredeth Miles, the child of Meredith L. Miles, deceased; to the Committee on Claims.

By Mr. PATMAN: A bill (H. R. 10805) granting an increase of pension to Ida C. Noble; to the Committee on Pensions.

By Mr. PITTENGER: A bill (H. R. 10806) validating the application of Patrick J. Greaney, jr., for an entry of certain public lands, and for other purposes; to the Committee on the Public Lands.

By Mr. QUAYLE: A bill (H. R. 10807) for the relief of Sara Riddle; to the Committee on Claims.

By Mr. REECE: A bill (H. R. 10808) granting a pension to Rastus Hammitt; to the Committee on Pensions.

Also, a bill (H. R. 10809) granting an increase of pension to Mary J. Wilson; to the Committee on Invalid Pensions.

By Mr. ROBINSON: A bill (H. R. 10810) for the relief of Daniel J. Sullivan; to the Committee on Claims.

By Mr. WOLVERTON of New Jersey: A bill (H. R. 10811) for the relief of Willard F. Holteen; to the Committee on Claims.

By Mr. WYANT: A bill (H. R. 10812) granting an increase of pension to Elizabeth B. Shaw; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

5637. Petition of United States Naval Reserve Officers' Association, favoring House bill 6145, to regulate the minimum age limit for enlistments in the Naval Reserve or Marine Corps Reserves; to the Committee on Naval Affairs.

5638. By Mr. ACKERMAN: Petition of citizens of Roselle, Roselle Park, and Cranford, N. J., urging passage of legislation increasing pensions of Spanish War veterans; to the Committee on Pensions.

5639. By Mr. ALDRICH: Resolution of the town council of the town of Warwick, R. I., urging the proper observance of October 11 of each year in honor of the memory of Brig. Gen. Casimir Pulaski; to the Committee on the Judiciary.

5640. By Mr. BACHMANN: Petition of William L. Nest and other citizens of Wheeling, W. Va., urging speedy action on Senate bill 476 and House bill 2562 providing for increased rates of pension to veterans of the Spanish-American War; to the Committee on Pensions.

5641. By Mr. BAIRD: Petition of citizens of Fremont and Clyde, Ohio, praying for relief for veterans of the Spanish War; to the Committee on Pensions.

5642. Also, petition of National Camp Patriotic Sons of America, Easton, Pa., favoring immigration restriction and registration of aliens; to the Committee on Immigration and Naturalization.

5643. Also, petition of Fraternal Order of Eagles, Aerie No. 444, Sandusky, Ohio, favoring the passage of bill S. 3257; to the Committee on Labor.

5644. By Mr. BLOOM: Petititon of citizens of Cincinnati, Ohio, opposing the calling of an international conference by the President of the United States, or the acceptance by him of an invitation to participate in such a conference, for the purpose of revising the present calendar, unless a proviso be attached thereto, definitely guaranteeing the preservation of the continuity of the weekly cycle without the insertion of the blank days; to the Committee on Foreign Affairs.

5645. By Mr. BUCKBEE: Petition of Col. R. J. Shand and 78 other citizens of Springfield, Ill., asking for early passage of House bill 2562 providing for increased rates of pension to the men who served in the armed forces of the United States during the Spanish War period; to the Committee on Pensions.

5646. By Mr. COOPER of Wisconsin: Memorial of United Groups of Polish National Alliance, No. 135, Kenosha, Wis., urging passage of a bill to establish Pulaski memorial day on October 11 of each year; to the Committee on the Judiciary.

5647. By Mr. CRAIL: Petition of many citizens of Los Angeles County, Calif., favoring increased pensions for Spanish War veterans; to the Committee on Pensions.

5648. By Mr. DALLINGER: Petition of the city council of Cambridge, Mass., urging the enactment of House Joint Resolution 167 providing for the observance of General Pulaski's memorial day on October 11 of each year; to the Committee on the Judiciary.

5649. By Mr. FENN: Petition of the Common Council of New Britain, Conn., favoring the establishment of October 11 as General Pulaski's memorial day; to the Committee on the Judiciary.

5650. Also, petition of the Common Council of New Britain, Conn., favoring the passage of legislation to increase the pensions of veterans of the war with Spain; to the Committee on Pensions.

5651. Also, petition of three citizens of Burnside, Conn., favoring the passage of the so-called Robsion-Capper school bill; to the Committee on Education.

5652. By Mr. FITZPATRICK: Petition of Common Council of the city of Yonkers, State of New York, urging the passage of House Joint Resolution 238 providing for the observance of General Pulaski memorial day on October 11 of each year; to the Committee on the Judiciary.

5653. By Mr. FRENCH: Petition of 37 citizens of St. Maries, Idaho, indorsing Senate bill 476 and House bill 2562 providing for increased rates of pension to the men who served in the armed forces of the United States during the Spanish War period; to the Committee on Pensions.

5654. By Mr. FULMER: Resolution passed by the Ridge Post, No. 6, J. S. Nichols, post commander the American Legion, Leesville, S. C., in behalf of House bill 9411 for the purpose of establishing a veteran's hospital in South Carolina; to the Committee on World War Veterans' Legislation.

5655. By Mr. GAMBRILL: Petition of citizens of Calvert County, Md., favoring the passage of Senate bill 476 and House bill 2562 providing for increased rates of pension to Spanish-American War veterans; to the Committee on Pensions.

5656. By Mr. GARBER of Oklahoma: Petition of George H. Thomas Post, Grand Army of the Republic, Chicago, unanimously protesting against House bill 6348; to the Committee on Military Affairs.

5657. Also, petition of uncompensated disabled veterans of World War, Castle Point, N. Y., protesting against attempt to pass legislation pertaining to veterans' relief under suspension of rules and urging immediate passage of Rankin bill; to the Committee on World War Veterans' Legislation.

5658. Also, petition of George H. Thomas Post, Grand Army of the Republic, Chicago, Ill., protesting against Senate bill 684; to the Committee on Coinage, Weights, and Measures.

5659. Also, petition of Lawton Chamber of Commerce, Lawton, Okla., making correction in resolutions submitted under date of February 26, joint pay bill; to the Committee on Military Affairs.

5660. Also, petition of S. F. Stewart, Patriotic Instructor George H. Thomas Post, Grand Army of the Republic, of Illinois, protesting on behalf of his comrades, against the Swanson bill, S. 3810; to the Committee on Military Affairs.

5661. Also, petition of Union Equity Cooperative Exchange (Inc.), Enid, Okla., in support of House bill 3721; to the Committee on Appropriations.

5662. By Mr. HALE: Resolution adopted by Manchester Aerie, No. 290, Fraternal Order of Eagles, Manchester, N. H., J. T. Lynch, secretary, petitioning Congress for an early passage of Senate bill 476 and House bill 2562; to the Committee on Pensions.

5663. By Mr. HILL of Washington: Petition of Ida M. Harrison and other citizens of Spokane, Wash., asking that House bill 10, the Robsion-Capper school bill be enacted into law; to the Committee on Education.

5664. By Mr. JOHNSON of Illinois: Petition signed by citizens of Rock Falls, Ill., urging Congress to pass legislation to give Spanish War veterans an increase of pension; to the Committee on Pensions.

5665. By Mr. JOHNSON of Indiana: Petition of citizens of Terre Haute, Ind., for the increase of pensions for veterans of the Spanish-American War; to the Committee on Pensions.

5666. By Mr. KENDALL of Kentucky: Petition of the citizens of Lewis County, in which they respectfully urge that immediate steps be taken to bring to a vote Senate bill 476 and House bill 2562, and they further urge the passage of the above bills; to the Committee on Pensions.

5667. By Mr. KETCHAM: Petition signed by Charlie E. Gould and 58 other residents of Decatur, Mich., urging early passage of Senate bill 476 and House bill 2562; to the Committee on Pensions.

5668. By Mr. KVALE: Petition of Hancock Commercial Club, Hancock, Minn., urging passage of House bill 11; to the Committee on Interstate and Foreign Commerce.

5669. Also, petition of Minnesota Pharmaceutical Association urging passage of House bill 11; to the Committee on Interstate and Foreign Commerce.

5670. Also, petition of Minnesota Retail Meat Dealers' Association, urging an investigation of certain violations of the Sherman antitrust law and Clayton Act; to the Committee on the Judiciary.

5671. By Mr. LEE of Texas: Petition of citizens of Ballinger and Coleman, Tex., against Capper-Robsion bill to create a board of education; to the Committee on Education.

5672. By Mrs. McCORMICK of Illinois: Petition of sundry citizens of the city of Galesburg, Ill., urging favorable action on House Joint Resolution 20; to the Committee on the Judiciary.

5673. By Mr. MICHENER: Petition of sundry citizens of Wayne County, Mich., favoring the passage of House bill 2562; to the Committee on Pensions.

5674. By Mr. PATMAN: Petition of Mack Williams and 41 other citizens of Cass County, Tex., in support of House bill 2562, which provides for increased rates of pension to Spanish-American War veterans; to the Committee on Pensions.

5675. By Mr. FRANK M. RAMEY: Petition of Carlinville Chamber of Commerce, Carlinville, Ill., urging passage of House bills 8361 and 9592, for the promotion of Great Lakes to Gulf water transportation; to the Committee on the Merchant Marine and Fisheries.

5676. By Mr. REID of Illinois: Petition of L. L. Urch and 56 other residents of Kane County, Ill., urging the passage of Senate bill 476 and House bill 2562, providing for increased rates of pensions to Spanish-American War veterans; to the Committee on Pensions.

5677. Also, petition of E. E. Lindgren and 19 other residents of Batavia, Kane County, Ill., urging the passage of Senate bill 476 and House bill 2562, providing for increased rates of pensions to Spanish-American War veterans; to the Committee on Pensions.

5678. Also, petition of Charles Anderson and 15 other residents of Kane County, Ill., urging the passage of Senate bill 476 and House bill 2562, providing for increased rates of pensions to Spanish-American War veterans; to the Committee on Pensions.

5679. By Mr. SHOTT of West Virginia: Petition of Woman's Christian Temperance Union of Williamson, W. Va., asking for Federal supervision of motion pictures, establishing higher standards for production of films that are to be licensed for interstate and international commerce; to the Committee on Interstate and Foreign Commerce.

5680. Also, petition of 57 citizens of Mingo County, W. Va., urging passage of Senate bill 476 and House bill 2562; to the Committee on Pensions.

5681. By Mr. STONE: Petition of 45 residents of Laverne, Okla., asking Congress to pass favorably on House bill 9233 to prescribe a certain prohibition oath; to the Committee on the Judiciary.

5682. Also, petition of 67 residents of Chandler, Okla., asking Congress to pass favorably on House bill 9233 to prescribe a certain prohibition oath; to the Committee on the Judiciary.

5683. Also, petition of 33 residents of the town of Norman, Okla., asking Congress to pass favorably on House bill 9233 to prescribe a certain prohibition oath; to the Committee on the Judiciary.

5684. Also, petition of 109 residents of Buffalo, Okla., asking Congress to pass favorably on House bill 9233 to prescribe a certain prohibition oath; to the Committee on the Judiciary.

5685. Also, petition of 26 residents of Perkins, Okla., asking Congress to pass favorably on House bill 9233 to prescribe a certain prohibition oath; to the Committee on the Judiciary.

5686. Also, petition of 71 residents of Oklahoma City, asking Congress to pass favorably on House bill 9233 to prescribe a certain prohibition oath; to the Committee on the Judiciary.

5687. Also, petition of 32 residents of Amorita, Okla., asking Congress to pass favorably on House bill 9233 to prescribe a certain prohibition oath; to the Committee on the Judiciary.

5688. By Mr. THATCHER: Petition signed by William L. Nagel and others, of Jefferson County, Ky., in support of Spanish-American War veterans' legislation; to the Committee on Pensions.

5689. By Mr. THURSTON: Petition signed by 20 ladies of the Iseminger Relief Corps of Chariton, Iowa, urging the Congress to enact legislation increasing the pensions now allowed to Civil War veterans and their dependents; to the Committee on Invalid Pensions.

5690. By Mr. WASON: Memorial of the board of aldermen of the city of Nashua, N. H., urging enactment of House Joint Resolution 167 directing the President of the United States to proclaim October 11 of each year as General Pulaski's memorial day, for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski; to the Committee on the Judiciary.

5691. Also, petition of Women's Christian Temperance Union, of Nashua, N. H., urging the enactment of a law for the Federal supervision of motion pictures, providing that higher moral standards be applied at the source of the production; to the Committee on Interstate and Foreign Commerce.

5692. By Mr. WATSON: Resolution passed by the Women's Christian Temperance Union, of Yardley, Pa., favoring Federal supervision of motion pictures; to the Committee on Interstate and Foreign Commerce.

5693. By Mr. WELCH of California: Petition of citizens of San Francisco, urging the enactment of House bill 2562; to the Committee on Pensions.

5694. By Mr. WILLIAMS: Petition of M. Mueller and 70 others, requesting passage of Senate bill 476 and House bill 2562, providing for increased pensions of veterans of Spanish-American War; to the Committee on Pensions.

5695. By Mr. WOLVERTON of West Virginia: Petition of the Cowen, Webster County (W. Va.), Women's Christian Temperance Union, urging Congress to enact a law providing for Federal supervision of motion pictures; to the Committee on Interstate and Foreign Commerce.

5696. Also, petition of the Berlin, Lewis County (W. Va.), Women's Christian Temperance Union, urging Congress to enact a law providing for Federal supervision of motion pictures; to the Committee on Interstate and Foreign Commerce.

5697. Also, petition of Mrs. George Lounsbery, registered nurse, of Huntington, W. Va., urging Congress to take favorable action on House bill 2562, a bill granting increased pension rates for veterans and nurses who served during the Spanish War period; to the Committee on Pensions.

5698. Also, petition of M. M. Blumberg, of Weston, Lewis County, W. Va., urging Congress to establish a department of education, such as is provided in the Capper-Robsion bill; to the Committee on Education.

5699. By Mr. WYANT: Petition of Rostraver Grange, No. 919, Patrons of Husbandry, indorsing debenture plan in tariff bill, and indorsing placing of lumber and red-cedar shingles on the free list; to the Committee on Ways and Means.

5700. Also, petition of Joseph F. Leipeitz, 1009 Manor Road, New Kensington, Pa., requesting favorable support of legislation to regulate wages paid to laborers and mechanics on Government and United States Army contracts, known as House bill 9232 and Senate bill 3086; to the Committee on Labor.

5701. Also, petition of Ernest Wilson, 1719 Ridge Avenue, Arnold, Pa., requesting favorable support of legislation to regulate wages paid to laborers and mechanics on Government and United States Army contracts, known as House bill 9232 and Senate bill 3086; to the Committee on Labor.

SENATE

SATURDAY, *March 15, 1930*

(Legislative day of Monday, January 6, 1930)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

Mr. FESS. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Allen	Frazier	La Follette	Shortridge
Baird	George	McCulloch	Smoot
Barkley	Glass	McKellar	Steck
Bingham	Goff	McMaster	Steiwer
Black	Goldsborough	McNary	Stephens
Blaine	Greene	Metcalf	Sullivan
Blease	Grundy	Moses	Swanson
Borah	Hale	Norbeck	Thomas, Idaho
Bratton	Harris	Norris	Thomas, Okla.
Brookhart	Harrison	Nye	Townsend
Broussard	Hastings	Oddie	Trammell
Capper	Hatfield	Overman	Tydings
Caraway	Hawes	Patterson	Vandenberg
Connally	Hayden	Phipps	Wagner
Copeland	Hebert	Pine	Walsh, Mass.
Couzens	Heflin	Pittman	Walsh, Mont.
Cutting	Howell	Ransdell	Waterman
Dale	Johnson	Robinson, Ind.	Watson
Dill	Jones	Robsion, Ky.	Wheeler
Fess	Kean	Schall	
Fletcher	Keyes	Sheppard	

Mr. SHEPPARD. The junior Senator from Utah [Mr. KING] is necessarily detained from the Senate by illness. I will let this announcement stand for the day.

I also desire to announce the necessary absence of the Senator from Arkansas [Mr. ROBINSON] and the Senator from Pennsylvania [Mr. REED], who are delegates from the United States to the London Naval Conference.

Mr. SCHALL. My colleague [Mr. SHIPSTEAD] is unavoidably absent. I ask that this announcement may stand for the day.

Mr. HAYDEN. My colleague the senior Senator from Arizona [Mr. ASHURST] is unavoidably detained from the Senate.

Mr. McKELLAR. I wish to announce that my colleague the junior Senator from Tennessee [Mr. BROCK] is necessarily detained from the Senate by illness. I ask that this announcement may stand for the day.

The VICE PRESIDENT. Eighty-two Senators have answered to their names. A quorum is present.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate resolutions adopted by the National Association of Builders' Exchanges in convention assembled at San Francisco, Calif., favoring the letting of all Government work on the contract plan and to the lowest responsible bidder, which were referred to the Committee on Education and Labor.

He also laid before the Senate resolutions adopted by the board of aldermen of the city of New York, N. Y., opposing the passage of legislation providing for the registration of aliens as un-American, reactionary, and injurious to the process of Americanization, which were referred to the Committee on Immigration.

He also laid before the Senate a resolution adopted by the annual convention of the United States Naval Reserve Officers' Association, favoring the passage of legislation establishing a minimum age (17 years) for enlisting in the Naval Reserve and Marine Corps Reserve on the same basis as that for the regular Navy, which was referred to the Committee on Naval Affairs.

Mr. RANSDELL presented resolutions adopted by the Ministerial Association of Alexandria and Pineville, La., representing various denominations, protesting against the alleged godless attitude and campaign against all religion on the part of the Soviet Government of Russia, which were referred to the Committee on Foreign Relations.

Mr. SULLIVAN presented a petition of employees of the postal service at Sheridan, Wyo., favoring the passage of the so-called Dale retirement bill as amended, the 44-hour week bill, and the longevity bill, which was referred to the Committee on Post Offices and Post Roads.

Mr. CAPPER presented petitions of sundry citizens of Doniphan and Leavenworth Counties, in the State of Kansas, praying for the passage of legislation granting increased pensions to veterans of the war with Spain, which were ordered to lie on the table.

Mr. TYDINGS presented a petition of sundry citizens of Baltimore, Md., praying for the passage of legislation granting increased pensions to veterans of the war with Spain, which was ordered to lie on the table.

APPOINTMENTS TO POSTMASTERSHIPS AND OTHER OFFICES (REPT. NO. 272)

Mr. BROOKHART, from the subcommittee of the Committee on Post Offices and Post Roads, pursuant to Senate Resolutions 193, 311, and 330, Seventieth Congress, and Senate Resolution 42, Seventy-first Congress, submitted a report relative to influencing appointments to postmasterships and other Federal offices, together with the views of Mr. McKELLAR and Mr. HASTINGS.

REPORT OF POSTAL NOMINATIONS

Mr. PHIPPS, as in open executive session, from the Committee on Post Offices and Post Roads, reported sundry postoffice nominations, which were placed on the Executive Calendar.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. GOFF:

A bill (S. 3912) granting compensation to Cecil R. McGhee; to the Committee on Finance.

A bill (S. 3913) for the relief of Evan Lewis; to the Committee on Military Affairs.

By Mr. SHORTRIDGE:

A bill (S. 3914) for the relief of Walter Fred Kirchoff; and

A bill (S. 3915) to provide for alterations and repairs to the U. S. S. *Henry County;* to the Committee on Naval Affairs.

By Mr. FESS:

A bill (S. 3916) granting an increase of pension to Emma Fitch (with accompanying papers); to the Committee on Pensions.

By Mr. TYDINGS:

A bill (S. 3917) for the relief of George Edwin Godwin; and

A bill (S. 3918) for the relief of Charles Daniel Anderson, ex-chief machinist's mate, United States Navy, and Horace H. Goodell, ex-yeoman, third class, United States Navy; to the Committee on Naval Affairs.

A bill (S. 3919) for the relief of Matthew Edward Murphy;

A bill (S. 3920) for the relief of Mary Kress, Myer Toor, and Theresa Toor; to the Committee on Claims.

A bill (S. 3921) for the relief of Thomas Allen; to the Committee on Pensions.

A bill (S. 3922) to provide for certain payments to the widows and children of policemen and firemen of the District of Columbia whose deaths result from injury suffered or disease contracted in line of duty; to the Committee on the District of Columbia.

By Mr. BARKLEY:

A bill (S. 3923) granting a pension to Emma Bettman Myers; to the Committee on Pensions.

By Mr. SHEPPARD:

A bill (S. 3924) for the relief of the First State Bank & Trust Co., of Mission, Tex.; to the Committee on Finance.

By Mr. ROBINSON of Indiana:

A bill (S. 3925) granting an increase of pension to Reuben Samson (with accompanying papers); to the Committee on Pensions.

AMENDMENT TO THE TARIFF BILL—MILK CANS

Mr. COUZENS submitted an amendment intended to be proposed by him to House bill 2667, the tariff revision bill, which was ordered to lie on the table and to be printed, as follows:

At the top of page 113 insert the following:

"Milk cans, made of steel or iron not lighter than 22 gage United States standard, with or without tin or other plate, 40 per cent ad valorem."

THE MONROE DOCTRINE

Mr. DILL. Mr. President, I ask unanimous consent to have printed as a public document a memorandum on the Monroe doctrine by J. Reuben Clark, of the State Department. It is a very complete discussion of the history of the matter. There is only one copy available in the document room and there are a great many calls for it.

Mr. MOSES. Mr. President, without question this is something that should be printed as a public document. A very limited edition was printed by the State Department and copies desired by Members of the Senate and House of Representatives are absolutely unavailable.